Exploring Fintech Adoption in Islamic Banking: A Systematic Literature Review

Muhammad Farras Hanif[1*], Muhammad Faiz Andeaz Fawwaz[1]
1. Department of Economics, Universitas Pembangunan Nasional Veteran Jakarta, Indonesia
*Corresponding author e-mail: mfarrashanif@upnvj.ac.id

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Abstract
The growth of Fintech plays a significant role in transforming Islamic banking by providing more inclusive, efficient, and transparent financial services. This study aims to investigate the supporting factors of Fintech adoption in the Islamic banking system, and to identify the resulting impact of its adoption towards Islamic banks' operational and financial performance, as well as their services. This study uses the SLR method to review 21 selected articles from the Scopus database with a publication period between 2015 and 2024. Findings. The results of this study show that Fintech adoption contributes to enhancing services, including the aspect of efficiency in Islamic banking and promoting financial inclusion. In addition, the implementation of Fintech has a positive impact on financial stability and the performance of Islamic banking by reducing operational costs, strengthening data security, and improving transparency. This study provides insights and implications for the banking industry to integrate or enhance Fintech in its operational system, and offers similar research directions in the future with different research methods or scopes for further research development.

1. Introduction

The Islamic finance development phenomenon has grown rapidly in the world today. This is inseparable from the role of technology and information that make the transformation of the financial sector more innovative, inclusive, and modern in nature (Fahamsyah et al., 2025). Islamic finance, as a relatively new instrument in the modern financial industry, offers a different approach emphasized on norms and ethics based on religious values with a system that avoids the practices of riba (interest), gharar (uncertainty), and maysir (speculation or gambling) (Soemitra, 2021). Financial inclusion in Muslim communities in various parts of the world has risen positively due to rapid development within the financial technology sector. This happens because of the convenience it offers but with adherence to Sharia, hence reaching society's segments that need financial access (Kismawadi, 2025).

Sharia Fintech development worldwide is not constrained to Muslim majority countries (Rika Nur Amelia et al., 2024). This growth is tuned into the increasing needs of technology utilization in financial activities, ethics in economics development, and the needs of the Muslim community served through various models (Faizah & Aisyah, 2023). In addition, massive advances in information technology create an opportunity for broadening the use of financial technology (Fintech) in various financial industries to reach the underserved parts of society. Fintech developed in the financial industries has been integrated with established financial systems, including Islamic banking, as well as alternative financing platforms such as peer-to-peer (P2P) and crowdfunding (Rahmati, 2024). On the other hand, Islamic banks operate based on Sharia principles that enforce the implementation of innovative, ethical, and efficient service systems. Consequently, most Islamic banks have commenced the integration of Fintech in their operation systems, particularly in services such as peer-to-peer financing, blockchain based contracts, digital payment systems, and mobile banking platforms (Idrees & Ullah, 2024). Therefore, the integration between Fintech and the Islamic banking system has become an indispensable part of inclusive and sustainable global finance transformation.

The integration of fintech into the banking industry provides several opportunities for advancement. This opportunity encourages better management of banking while upholding Islamic values to coincide with current developments (Alnasser Mohammed et al., 2025). Financial technology interventions simplify operations and enhance the overall benefits accruable from increased operational efficiency. According to Khan & Haque (2025), the banking industry which can manage Fintech is more competitive in the financial Industry because its operations are highly effective, adaptive, and able to reach a larger market segment. Consequently, the utilization of Fintech in Islamic banking industry enables the inclusion of more benefits of financial products and service while reaching several groups in the community currently without financial inclusion. However, Fintech adoption faces several challenges, including limited technological infrastructure, complexities with regulatory and Sharia compliance, high costs of implementation, and a lack of digital literacy in both customers and staff (Aysan et al., 2022; Banna et al., 2022; Wahyuni et al., 2024). Despite the increasing trend of studies focusing on Fintech, most research has focused of general Islamic finance or conventional banking (Hasan et al., 2020; Suryono et al., 2020; Barroso and Laborda, 2022). There is a significant gap in research knowledge with regard to the diffusion of Fintech in Islamic banking institutions, the drivers of such adoption, and the consequences thereof.

In recent years, the adoption of Fintech has become crucial for Islamic banking institutions to maintain competitiveness with the conventional banks and expand their financial inclusion agenda (Baber, 2020; Aysan et al., 2022). Data from previous studies shows a positive trend in the number of Islamic banks adopting Fintech or digital platforms to support their operations. Between 2015 and 2024, the use of Fintech to improve services such as financing, online customer registration, and mobile financing infrastructure showed a steady increase throughout the decade (Zouari & Abdelhedi, 2021; Banna et al., 2023). This trend has prompted scholars to research the adoption of fintech in the Islamic banking industry. Research related to financial technology has been shown to grow. According to Firmansyah et al. (2023), scientific research on financial technology has steadily increased in both quantity and scope. Discussion ranges from concepts and theories related to Fintech, its relationship to other financial policies, and analysis of public acceptance of both conventional and Islamic financial technology, employing a variety of methods. Studies that utilize systematic literature review (SLR) method to identify the adoption of Fintech in the financial industry has been conducted with various scopes. Nevertheless, there remains a gap in the literature regarding the relationship between financial technology and Islamic banking within SLR method. Previous studies (Firmansyah et al., 2023; Maniam, 2024)) only analyzed Fintech adoption in the financial industry in general or focused on Islamic finance, not specifically on the Islamic banking industry. Therefore, this study aims to investigate the adoption of Fintech in the Islamic banking system using a SLR approach. It highlights the supporting factors and the resulting impacts of Fintech adoption in Islamic banking based on inside from selected articles.

2. Research Method

This study used a systematic literature review (SLR) in reviewing a number of papers relevant to the research objectives. Academics or researchers use this approach to seek categorized and organized perspectives on a given research topic produced throughout a certain time period (Milian et al., 2019). SLR can be conducted through applying the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) method, which has been employed in several previous studies (Firmansyah et al., 2023; Maniam, 2024). This study used Scopus as the main database for finding several articles analyzing financial technology in the Islamic banking system. This study specified many keywords to support searching within the database in determining articles that could be reviewed. These keywords were inspired by research written by Maniam (2024) which analyzed Sharia Fintech using the SLR method. The keywords chosen to support this study consisted of, "Fintech" OR "Financial technology" OR "Financial technologies" OR "Digital" OR "Digitalization" OR "Blockchain" AND "Islamic banks" OR "Islamic banking" OR "Sharia banks" OR "Sharia banking". The database search approach utilized the Boolean AND search concept to optimize the time spent on searching and customizing articles based on the keywords specified in a database with millions of data (Bello Aliyu, 2017).

The purpose of using Scopus database in this study is to find journals that are trusted and has a high reputation as an academic indexing (Joshi et al., 2016). As one of the most highly reputable indexing platforms, not every publisher can be listed in Scopus. Journals with a high reputation and indexed by Scopus are usually issued by leading international publishers, such as Emerald, Elsevier, Springer, MDPI, and other high-quality academic publishers. Moreover, Scopus has wide coverage and avoids low reputation journals or fraudulent procedures. To be eligible for inclusion in the Scopus database, the journals must meet certain specified strict criteria. Failure to comply with such requirements might result in removal from this database (Firmansyah et al., 2023). Therefore, this study chooses to use this database to ensure that all reviewed journals will maintain a good reputation and are trusted because the review process was performed strictly.

Data Selection Procedure

To ensure that articles reviewed align with the research objectives, certain criteria are applied to assure they did not deviate. First, article selection was based on the title and research methods used. This study focused only on articles that used quantitative methods to analyze the impact of Fintech on the performance and adoption of Islamic banking. Quantitative methodology was preferred because of its empirical measurement, objectives comparison, and statistical validation of the relationship between variables. This approach gives empirical evidence on the impact of Fintech on Islamic banking performance, rather than conceptual or descriptive perspectives. Second, this study only considered the employment of articles from available and reputable journals. Books, reports, conference proceedings, journals (qualitative), journals (systematic literature reviews), theses, and news articles were excluded from this study. In addition, only those articles in English were considered to avoid the problems with translation and inconsistency in understanding. The study period considered was 10 years (2015-2024), to analyze the use of Fintech in Islamic banking within the last decade. Table 1 shows the inclusion and exclusion criteria used to support this study.

This study employed 24 search combinations in Scopus database to identify the amount of article published. Based on these combinations, there are 457 articles published in database. Next, a predetermined criteria-based elimination process resulted in 55 articles identified as quantitative articles. Of the 52 available articles, there are several articles that appeared in more than one search combination, resulting in duplication of some articles. Additional screening was required to ensure that no article appeared in more than one search combination. This step was performed to avoid any biases during the synthesis process and to ensure that each article was counted only once. The filtering was done by manually checking the article titles, authors, and publication years of articles to identify and remove duplicates. Consequently, there were 21 articles that met all the review requirements. Figure 1 shows the summary of the screening process for the retrieved articles using the PRISMA method in selecting the articles for further analysis.

Table 1. Inclusion and Exclusion Criterion

No	Criterion	Inclusion	Exclusion
1	Year	2015-2024	Less than 2015 and more than 2024
2	Literature type	Journals (Quantitative)	Books, reports, conference proceedings, journals (Qualitative), journals (systematic literature review), thesis, and news articles
3	Language	English	Non-English

Source: Processed data (2024)

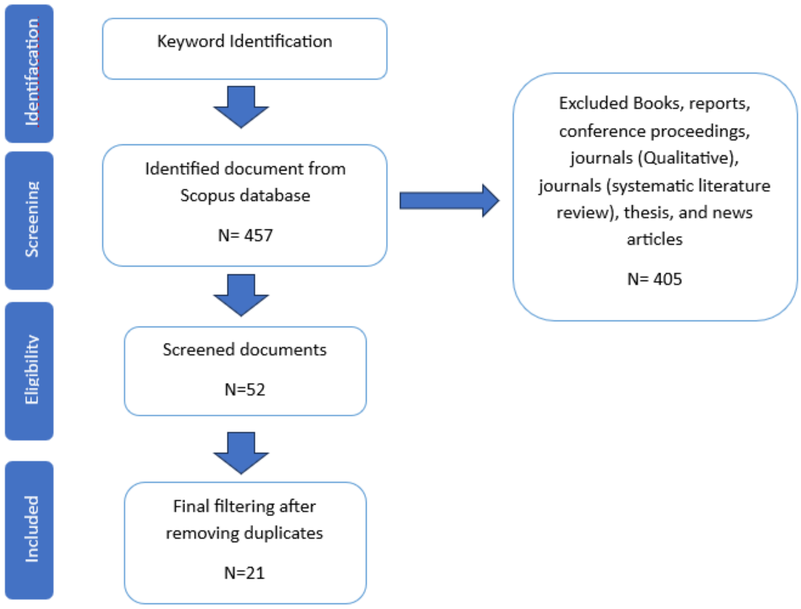

Figure 1. PRISMA Flow Diagram Showing Article Selection Process (Processed data, 2024)

3. Results and Discussions

This section reviews several articles related to the impact of Fintech adoption on the Islamic banking system. For a more comprehensive review, this study discusses the year of publication to understand the development of Fintech adoption in the Islamic banking industry over the last decade. Journals and publishers are also reviewed to identify the types of journals and publishers that publish articles on the topic as references for developing research on similar topics. The influence of Fintech on the Islamic banking system, including operational and services aspects, is discussed deeply by reviewing selected articles to identify adoption factors and opportunities, the effect of Fintech on Islamic banking performance, and reveal the challenges faced in its implementation.

Based on Figure 2, between 2015 and 2019, no publications quantitatively discussed the impact and adoption of Fintech on Islamic banking performance. Research on Fintech in Islamic banking began to grow in early 2020, with two publications examining the influence of Fintech adoption on the Islamic banking system (Shaikh et al., 2020; Baber, 2020). Nevertheless, the number of publications declined in 2021 due to the COVID-19 pandemic period, which limited research resources during pandemic. The study's growth peaked in 2023, reaching eight publications, or 38% of the total, in one year, due to the massive adoption of Fintech in Islamic banking in 2020. In 2024, the number of publications slightly decreased but was quite productive with seven publications or 33% of the total. The 2020-2024 period illustrates a shift in academic focus towards the application of digital systems in the Islamic banking industry, particularly after the COVID-19 pandemic which has driven digital transformation in every aspect of the industry, including the financial industry.

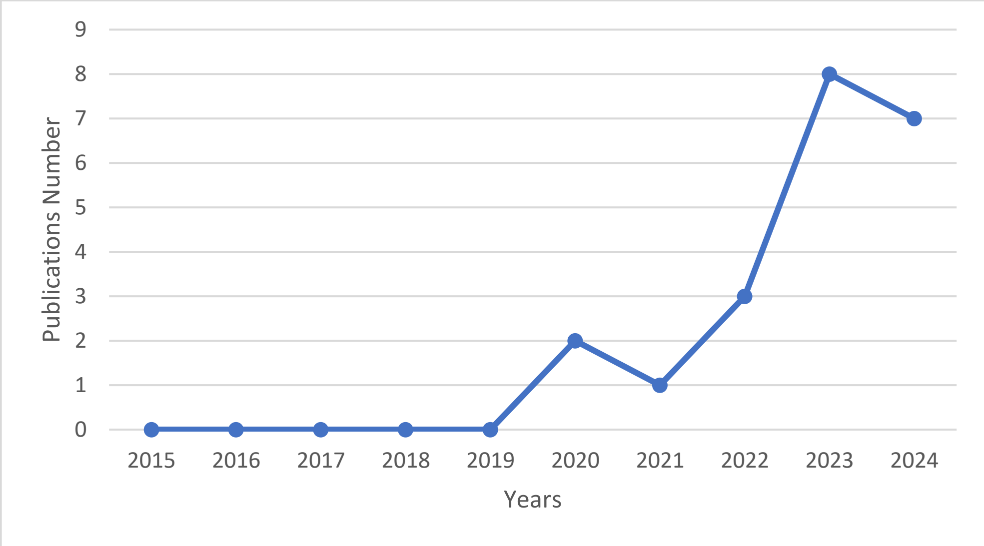

Figure 2. Publication articles trend from 2015-2024 (Processed data, 2024)

Journal and Publisher

Table 2 shows 15 highly reputable journals indexed by Scopus. The majority of journals in this study are classified as Quartile 1 (Q1) and Quartile 2 (Q2), with a total of 7 journals, or 46%, in each quartile. Meanwhile, only 1 journal is categorized as Quartile 3 (Q3), namely Journal of Islamic Monetary Economics and Finance. This indicates that most of the articles selected in this study are of high quality and reputation. In this study, the International Journal of Data and Network Science contributed the most articles to be reviewed, with a total of three out or 21 articles. Regarding publishers, Emerald Group Holding Ltd published the majority of the articles, with a total of six articles, or 28.5%, from five different journals. This implies that This confirms that Emerald Group Holding Ltd has a significant number of journal slots for publishing articles related to Fintech in Islamic banking, making it a better choice than other publishers.

Table 2. Journals and Publishers

	Journal Name	Best Scopus Quartile	No. of Article	Publisher
1.	Foresight	Q1	1	Emerald Group Holding Ltd.
2.	International Journal of Islamic and Middle Eastern Finance and Management	Q2	2	

3.	Journal of Islamic Accounting and Business Research	Q2	1	
4.	Journal of Science and Technology Policy Management	Q2	1	
5.	Review of Accounting and Finance	Q2	1	
6.	Heliyon	Q1	1	Cell Press
7.	Journal of Open Innovation: Technology, Market, and Complexity	Q1	1	Elsevier B.V.
8.	Journal of Islamic Monetary Economics and Finance	Q3	2	Bank Indonesia Institute
9.	Banks and Bank Systems	Q2	1	Business Perspectives
10.	International Journal of Data and Network Science	Q2	3	Growing Science
11.	Fintech	Q1	1	Multidisciplinary Digital Publishing Institute (MDPI)
12.	Risks	Q1	2	
13.	Journal of Risk and Financial Management	Q2	1	
14.	Vision	Q1	1	Sage Publications
15.	Journal of Innovation and Entrepreneurship	Q1	2	Springer
Total			21	

Source: Processed data (2024)

Fintech in Islamic Banking

This section reviews several articles related to Fintech on Islamic banking system. The literature review is conducted to investigate the adoption of Fintech on Islamic banking industry by discovering the determining factors for Fintech implementation, its impact on the stability and performance of Islamic banking, and the challenges faced by Islamic banking in applying Fintech in their operational, based on previous studies. Table 3 presents a brief list of articles reviewed to determine the title, author and year of publication, research objectives, research scope, and research results.

Adoption Factors and opportunities

Several previous studies (Baber, 2020; Shaikh et al., 2020; Zouari and Abdelhedi, 2021;Karim et al., 2022; Hidayat and Kassim, 2023; Hassan et al., 2023; Irimia-Diéguez et al., 2024; Alnsour, 2024; Idrees & Ullah, 2024; Mbaidin et al., 2024) revealed the supporting factors and intentions behind the utilization of Fintech in Islamic banking system. The adoption of Fintech was influenced by various factors, particularly in terms of customer usage such as perceived ease of use, perceived usefulness, user attitudes, and consumer innovativeness (Shaikh et al., 2020; Irimia-Diéguez et al., 2024; Hidayat and Kassim, 2023). From a customer standpoint, the adoption of Fintech strengthened user data protection, application reliability, and enhances the sense of confidence among banking customers (Zouari and Abdelhedi, 2021; Hassan et al., 2023). In addition, the use of financial technology facilitated the possibility for customers to make real-time payments due to a payment system that is digital and easily traceable, as well as assisted customers who want to make investments and financial plans while remaining based on Sharia compliance (Baber, 2020). Customers had expectations regarding the improvement of Islamic banks performance, particularly in the service aspect through the implementation of Fintech in the bank's operational system (Idrees and Ullah, 2024).

Islamic banking was encouraged to adopt Fintech and other financial innovations due to the challenges of the COVID-19 pandemic, which occurred in the early 2020s. This adoption is expected to be sustainable on the social aspect and be actively reducing poverty to respond to the effect of COVID-19 (Karim et al., 2022). Furthermore, Fintech with a blockchain system could be performed in any various elements, including regulatory compliance, technical competence, and financial resources to ensure that operations carried out gain strategic advantages in digital era (Mbaidin et al., 2024). Alnsour (2024) discovered that other factors affecting management readiness in implementing Fintech with a blockchain system in Jordanian bank operations were enhanced operational security, increased economic efficiency, and conformed to customer expectations. Thus, the adoption of financial technology in an Islamic banking system can enhance bank performance and data security, particularly in its operational aspect and customer service.

Impact of Fintech on Stability and Performance

Fintech contributed to the performance and stability of Islamic banking in both operational and financial performance. According to Alnsour (2023), mobile banking and internet banking had a positive influence on the financial performance of Islamic banking, including an increase in Return of Equity (ROE). During the COVID-19 pandemic, Fintech contributed to improving the performance and stability of Islamic banking in several countries. This is illustrated by how a study conducted by (Banna et al., 2022) shows that Digital Financial Inclusion (DFI) strengthened the stability of Islamic banking by minimizing the risk of default and encouraging inclusive economic growth. In addition, by the implementation of Fintech Based Inclusive Finance (FIF), Islamic banking became more efficient in its operation during a pandemic (Banna et al., 2023). Besides that, the adoption of Peer to Peer (P2P) Fintech into Islamic banking operations in Indonesia was believed to have contributed to the performance of Islamic banks during the crisis period, particularly during the COVID-19 pandemic (Yudaruddin, 2023).

From the perspective of credit risk, Fintech contributed to the improvement of pre-financing credit risk management in Islamic banking through improved data accessibility, speed of processing, and transparency of decision making (Shah et al., 2023). The study recommended that credit risk management became efficient by the incorporation of Fintech into the banking system. Islamic banks in Saudi Arabia had benefited from the implementation of Fintech, which led to an increase in financial performance (Sayari, 2024). In the UAE, the capability and adoption of Fintech had a significant positive impact on the Islamic banking industry concerning effective risk management improvement (Al Hammadi et al., 2024). Further, such effectiveness may be supplemented by advanced Information Technology (IT) security. Fintech based services, comprising internet banking, mobile banking, crowdfunding, and automated teller machines (ATMs), had a large positive effect on the financial performance of Jordanian Islamic banks (Alghadi, 2024).

Based on previous studies, the adoption of Fintech in the operational aspect of Islamic banking in various countries had positively contributed to the performance and financial stability of Islamic banks. The performance and financial stability of Islamic banking were maintained and improved even during the crisis period due to the COVID-19.

Challenges of Fintech Adoption

Despite the many benefits of integrating Fintech into the Islamic banking system, Islamic banks have several challenges in its implementation. Many Islamic banks in different countries have fallen behind in adopting new technology, especially Fintech (Aysan et al., 2022). This delay stems from regional differences in technology readiness and investment capabilities (Aysan et al., 2022). In Indonesia, P2P lending negatively affected Islamic banking performance (Wahyuni et al., 2024).

Indonesian Islamic banks could not adopt P2P lending due to differences in risk management compared to conventional banks, along with unique customer preferences in Sharia compliant finance. In the context of DFI, acceptance was limited to large Islamic banks that already had technological maturity and sufficient funding. Smaller banks struggled with DFI because of low digital literacy, high operational costs, and cybersecurity issues (Banna et al., 2022). Another significant challenge for Islamic banking was the high initial costs of implementing Fintech. Islamic banks faced steep setup and operational costs at the beginning of integrating Fintech, which hindered their ability to expand access (Banna et al., 2023).

In general, there are some challenges, including high costs and readiness of the Islamic banks to deploy the Fintech system into their operations. Generally, high initial development costs tend to prevent Islamic banks from adopting Fintech. In addition, Islamic banks suffer technological readiness and digital literacy issues in terms of leveraging Fintech into their operational systems and services.

The findings of this study provide the benefits of adopting Fintech, such as improving operational efficiency, financial inclusion, and risk management in Islamic banks. This study provides insights for the Islamic banking industry in continuing to develop Fintech systems within operations and services. Drawing from the accumulated empirical evidence, the Islamic banking industry is likely to accelerate financial technology to keep relevant and competitive in the midst of rapid digital transformation. For regulators, such as the Financial Services Authority (OJK) and the central bank, these findings serve as a reminder to establish regulations that are accommodating enough to spur innovation toward the development of Islamic banking while still referring to Sharia principles. Furthermore, prior studies adopted similar variables such as perceived ease of use, perceived usefulness, user attitudes, and consumer innovativeness, but within different research scopes. These findings further motivate future researchers in Fintech to create similar research approaches with different variables or methods.

Some limitations exist in this study. First, the literature review was limited to the aspects of the Islamic banking industry and excluded other Islamic financial institutions. Secondly, the analysis of data was confined to Scopus database. Other databases such as Web of Science (WoS), ERA, or JSTOR, were not used to identify relevant journals for this study. Using an expanded range of databases opens up the possibility for variations in the research data or methods to different perspectives regarding the adoption of Fintech in Islamic banking. Thus, future research is expected to explore other databases or reviews on other non-Islamic banking institutions, such as insurance, stock market, or mutual funds, with regard to the adoption of Fintech into their operations and services.

Table 3. Articles of Fintech in Islamic Banking System

No.	Authors	Title	Objectives	Scope of Study	Results
1.	Shaikh et al. (2020)	Acceptance of Islamic Financial Technology (Fintech) Banking Services by Malaysian Users: An Extension of Technology Acceptance Model	To examine factors influencing the acceptance of Islamic Fintech services in Malaysia	Malaysia	Perceived Ease of Use, Perceived Usefulness, and Consumer Innovativeness are key factors of acceptance of Fintech in Islamic banking.
2.	Baber (2020)	Fintech, Crowdfunding and Customer Retention in Islamic Banks	To investigate the influence of Fintech applications and crowdfunding on customer retention in Islamic banks.	Malaysia and UAE	Fintech positively influences customer retention is influenced by Fintech through Payments, Advisory services, Compliance, Crowdfunding.
3.	Zouari & Abdelhedi (2021)	Customer Satisfaction in the Digital Era: Evidence from Islamic Banking	This study investigates customer satisfaction in Islamic banking in the digital era, focusing on Tunisian Islamic banks.	Tunisia	Digitalization is a significant and positive factor influencing customer satisfaction.
4.	Aysan et al. (2022)	Fintech Strategies of Islamic Banks: A Global Empirical Analysis	This study examines the adoption of financial technology and digital transformation within the Islamic banking sector.	Cross-countries	Lagging implementation of advanced technologies, Geographical differences influence the rate of adoption.
5.	Karim et al. (2022)	Is Islamic Fintech Coherent with Islamic banking? A Stakeholder's Perspective during COVID-19	Investigating the coherence between Islamic Fintech and Islamic banking from a stakeholder's perspective during the COVID-19 pandemic in Pakistan	Pakistan	Increased Stakeholder Interest, Call to Embrace Innovation.
6.	Banna et al. (2022)	Islamic Banking Stability Amidst The COVID-19 Pandemic: The Role of Digital Financial Inclusion	Examining the role of Digital Financial Inclusion (DFI) in stabilizing the Islamic banking	Cross-countries	Digital Financial Inclusion strengthens Islamic banking stability during crises like COVID-19.

			sector, especially during the COVID-19 pandemic.		
7.	Hidayat & Kassim (2023)	The Determinants of Digital Banking Adoption Among Banks Offering Islamic Banking Services	Analyzing the factors influencing the adoption of digital banking among banks offering Islamic banking services in Indonesia	Indonesia	Adoption of digital banking is influenced by Bank-specific factors, Market-specific factors, External events, Customer behavior.
8.	Alnsour (2024)	The Effect of Financial Technology on Islamic Banks Performance in Jordan: Panel Data Analysis	Investigating the impact of financial technology (Fintech) services on the performance of Islamic banks in Jordan, using panel data from 2017 to 2021.	Jordan	Mobile banking and internet banking have a positive impact on financial performance.
9.	Banna et al. (2023)	Bank Efficiency and Fintech-Based Inclusive Finance: Evidence from Dual Banking System	Examining the relationship between Fintech-based inclusive finance (FIF) and bank efficiency within a dual banking system	Cross-countries	FIF has a positive influence on bank efficiency.
10.	Hassan et al. (2023)	Investigating the Determinants of Islamic Mobile Fintech Service Acceptance: A Modified UTAUT2 Approach	Investigating the factors influencing the acceptance of Islamic Mobile Fintech Services (MFS) among Islamic bank customers in Bangladesh, utilizing a modified UTAUT2 model.	Bangladesh	Acceptance of Islamic Mobile Fintech Services (MFS) is promoted by social influence, enabling conditions, price, and perceived credibility.
11.	Irimia-Diéguez et al. (2024)	Predicting the Intention to Use Paytech Services by Islamic Banking Users	Investigating the factors influencing the intention to use Paytech services within the Islamic banking sector, particularly in Saudi Arabia.	Saudi Arabia	Perceived ease of use, Perceived usefulness, User attitude influence significantly on adoption intention.
12.	Yudaruddin (2023)	Financial Technology and Performance in Islamic and Conventional Banks	Analyzing the impact of Fintech startups—especially peer-to-peer (P2P) lending and payment platforms—on the performance of Islamic and conventional banks in Indonesia during both normal and crisis periods	Indonesia	P2P Fintech has a positive effect on Islamic bank performance.

13.	Ben Bouheni et al. (2023)	An Econometric Understanding of Fintech and Operating Performance	Examining the relationship between Financial Technology (Fintech) adoption and the operating performance of Islamic banks.	Cross-countries	Fintech adoption positively influences operating profitability.
14.	Shah et al. (2023)	Role of Fintech in Credit Risk Management: An Analysis of Islamic Banks in Indonesia, Malaysia, UAE and Pakistan	Examining Fintech adoption impacts pre-financing and post-financing credit risks in Islamic banks	Indonesia, Malaysia, UAE, Pakistan	Fintech improves pre-financing credit risk management by enhancing data access, decision-making speed, and transparency.
15.	Alnsour (2024)	Technological Turbulence as Hindrance Between Factors Infuencing Readiness of Senior Management and Implementing Blockchain Technology in Jordanian Islamic Banks: A Structural Equation Modeling Approach	Investigating the factors influencing the readiness of senior management in Jordanian Islamic banks to adopt blockchain technology, while also examining the hindering role of technological turbulence.	Jordan and Saudi Arabia	Economic efficiency, bank security, customer expectations, education, training, and perception are significantly influencing the readiness of senior management
16.	Mbaidin et al. (2024)	The Critical Success Factors (CSF) of Blockchain Technology Effecting Excel Performance of Banking Sector: Case of UAE Islamic Banks	Investigating the implementation of Blockchain Technology within the financial sector, specifically focusing on its acceptance by Islamic banks in the United Arab Emirates (UAE	UAE	Organizational readiness, Regulatory compliance, technical expertise, financial resources are four critical success factors for blockchain adaoption.
17.	Sayari (2024)	Driving Digital Transformation: Analyzing the Impact of Internet Banking on Profitability in the Saudi Arabian Banking Sector	Analyzing the influence of Internet Banking on the profitability of both conventional and Islamic banks in Saudi Arabia.	Saudi Arabia	Internet Banking significantly enhances the financial performance of Islamic banks in Saudi Arabia.
18.	Idrees & Ullah (2024)	Comparative Analysis of Fintech Adoption Among Islamic and Conventional Banking Users with Moderating Effect of	Investigating the factors influencing Fintech adoption in Pakistan, specifically comparing users of Islamic and conventional banking services.	Pakistani	Performance Expectancy (PE), Effort Expectancy (EE), and Social Influence (SI) are main factors influencing Islamic

		Education Level: A UTAUT2 Perspective,			Banking Users' Intention to adopt Fintech.
19.	Al Hammadi et al. (2024)	Risk Management in Islamic Banking: The Impact of Financial Technologies through Empirical Insights from the UAE	Investigating the influence of financial technologies (Fintech) on the risk management effectiveness in Islamic banks within the United Arab Emirates (UAE).	UAE	Fintech adoption and Fintech capabilities positively impact the effectiveness of risk management in UAE Islamic bank
20.	Wahyuni et al. (2024)	The Impact of Fintech Peer-To-Peer Lending and Islamic Banks on Bank Performance During COVID-19	Investigating the impact of Peer-to-Peer (P2P) Fintech lending on bank performance in Indonesia, with a specific focus on Islamic banks before and during the COVID-19 pandemic.	Indonesia	P2P lending negatively affects Islamic bank performance.
21.	Alghadi (2024)	The Influence of Some Fintech Service on the Performance of Islamic Bank in Jordan	Investigating the influence of financial technology (Fintech) services on the financial performance of Islamic banks in Jordan.	Jordan	Fintech services, including internet banking, mobile banking, crowdfunding, and ATM, positively affect the financial performance of Jordan's Islamic Bank (JIB).

Source: Processed daya (2024)

4. Conclusions

This study aims to determine the drivers that promote the adoption of Fintech in the Islamic banking system and to emphasize the influence of Fintech on the financial and operational performance of Islamic banking. This systematic literature review (SLR) adopts a Scopus database-based approach in gathering previous related studies published between 2015 and 2024. Selection of articles is based on those that adopt a quantitative approach to analyze the factors affecting Islamic banking in implementing Fintech. Moreover, only peer-reviewed and high impact journals are included to enhance the credibility of the research findings.

Islamic banks implement Fintech into their operations and services in order to make it easy for customers to access financial products with ease. The reason for adopting such technology is to increase customer confidence in banking services and facilitate financial inclusion, particularly within the banking sector. The COVID-19 pandemic has accelerated the application of Fintech in the financial sector, especially in Islamic banking. Fintech allows customers to solve problems in financial access since it facilitates transactions in terms of bill payments and money transfers in real time, thereby enhances efficiency in financial transactions settlements. Additionally, according to several studies, the adoption of Fintech in an Islamic banking system contributes positively to financial stability and performance. Risk management, including credit risk, can be more efficient in Fintech adoption since it improves data access, allows better data driven decision-making, enhances data security, and increases transparency. At the same time, in some context, Islamic banking still faces significant challenges to Fintech implementation. Such challenges come from the factor of experience and knowledge in implementing this technology. Smaller Islamic banks faces difficulties in implementing such technology due to a lack of sufficient funds necessary to build up or develop Fintech in their operations.

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