

ISLAMIC BANKING PRACTICE

From The Practitioner's Perspective



بنك إسلام مليسيا برحد
BANK ISLAM MALAYSIA BERHAD

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PUSTAKA PERDANA



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YAYASAN
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*In The Name Of Allah The Most
Beneficent The Most Merciful*

FOREWORD

Praise be Only to Allah SWT for His bounty and blessing showers upon us.

Islamic concept is a buzzword in today's fast moving and competitive business and finance world. Since March 1993 banks and finance companies have been racing against each other to come out with a free-interest bearing or Shariah based products. However their enthusiasm and efforts have been distorted mainly due to inadequate knowledge, both theories and practical. In spite of abundant literature review on Islamic banking subjects in the market, we can hardly find materials written from practitioner's viewpoint. Realising the need of the public for hands-on experience material, Bank Islam Malaysia Berhad (Bank Islam) is gallantly stepping forward to share its experiences over the past ten years in operation with the public.

This is the first book published by Bank Islam in its series of efforts to educate the public on the teachings of Islam specifically on business transactions. Despite the fact that conventional banking and finance have been in practice for centuries, Islamic concept is here to stay. The reason for this phenomenon is that the Muslims are now returning to the religion for spiritual strength and the dictates of Islam which forbid the interest element in conventional banking.

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First and foremost, I would like to personally congratulate Raja Tun Mohar Raja Badiozaman, my predecessor, who had headed the working committee in establishing Bank Islam and eventually appointed as chairman of the Bank for his commitment and support. My congratulation is also dedicated to Dato' Dr Abdul Halim Haji Ismail, the Managing Director of Bank Islam Malaysia Berhad, for his utmost efforts and contributions in making Bank Islam a success since inception in 1983. It is Dato' Dr Abdul Halim who has steered Bank Islam to the road of success and now Bank Islam is not only recognised locally but also internationally.

I would also like to express my profound appreciation to all the staff of Bank Islam who have directly or indirectly assisted us in publishing this book.

Finally, I pray to Allah SWT by the means of this book, the public especially the Muslims would appreciate and eventually hold the banner of Islamic banking concepts throughout their life and propagate it. Insha Allah.

Tan Sri Dato' Shamsuddin Abdul Kadir
Chairman
Bank Islam Malaysia Berhad



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