

2011

# Islamic Banking and Finance Against Conventional



**Edited by**  
**Saim Kayadibi**



IIUM Press

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## Chapter 2

### Conventional and Islamic Banking System in Malaysia

M. Nurfikri Ong b. Abdullah, M. Faiz b. Khalib<sup>20</sup> and Saim Kayadibi

#### Introduction

All praise is due to Allah s.w.t, the Cherisher and the Sustainer of the world and peace be upon Muhammad, the seal of all Prophets. This assignment is an outcome of effort made by Dr. Saim Kayyadibi for us to look into the particular given headline for further revelation.

Our group decided to discuss about the most influential issue that had been rose up in the banking system especially regarding Islamic banks. But however, in this assignment, we will talk about both banking system, Islamic as well as the conventional type, and discuss more on the Islamic institution to give a better appearance of it.

As the banking system is growing towards globalization, many steps had been tackled to uphold the stability of banks around the world. The rectifications behind the achievement in the banking system were throughout the trusts that were given by most of the users due to their transparencies. Islamic banks were amongst the participations that see the light of success despite that they were still new in the industry especially in Malaysia compared to the normal banks. Thus it is a trigger for most people to study on how the Islamic banks are difference from the ordinary banks including the services provided, on how the

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<sup>20</sup> Graduate Students, Faculty of Economics and Management Sciences, International Islamic University Malaysia (IIUM), Kuala Lumpur, Malaysia.