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Islamic Banking in Malaysia

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I. Introduction

This paper examines the Islamic banking system of Malaysia, a country of 22 million people, 60 percent ethnic Malay Muslims. The Islamic banking system of Malaysia is unique in that it offers an alternative to conventional banking to those who seek for religious reasons financial transactions based on the Islamic law.

A full-fledged commercial Islamic bank commenced operation in 1983. The government's role was critical in establishing the Islamic banking system in Malaysia. With a worldwide Islamic movement in the late 1970s, along with the election of Prime Minister Mahathir in 1981, Islamic awareness in Malaysia grew, and the Islamic banking system was established with much help from the government. With an initial meager capital of 80 RM million most were funded by the government, Islamic banking assets in Malaysia have grown, from 1.3 RM billion in 1988 to 47.2 RM billion in 2000. These account for 6.7% of the nation's banking assets.[1]

The Malaysian government plans to increase Islamic banking market share to 20% by the year 2010. The importance of Islamic banking in Malaysia is expected to grow further considering the Malaysian government has continued

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1) The banking sector is a primary source of financing for the Malaysian economy, accounting for about 70%(830 RM billion) of the total assets of the financial system(1243 RM billion) as of 2000.

its significant role in the growth of Islamic banking. With the success of Islamic banking, more Islamic financial instruments such as Islamic insurance, and bonds are being introduced in capital markets as well.

In March of 2000, Malaysia formulated a 10-year master plan to create an efficient and comprehensive Islamic financial system and make Malaysia a regional financial center for Islamic banking and finance. With a substantial Muslim population in Malaysia, nearby Indonesia, and around the world, Malaysia's ambition to become a regional Islamic financial center is promising considering Malaysia, one of the fastest growing and stable economies in the Southeast region before the financial crisis of 1997, has recovered: its economic growth rate in 2000 a robust 8.5%.

In a modern economic system, financial markets and intermediaries play an important role in channeling funds from savers to borrowers, which results in economic efficiency. In most financial markets of developed countries, interest rates have a significant impact on businesses, consumers, financial institutions, and the overall economy.

Unlike a modern financial system in which interest rates play a key role in the economy, Islamic banking, according to the Shariah(Islamic law), prohibits riba(interest and usury) on all financial transactions. Prohibition of interest seems contradictory to the basic tenets of a modern financial system.

Since interest rates cannot be used in financial transactions, profit and loss sharing(PLS) arrangements are used in Islamic banking as alternative methods of financial transactions. Under PLS schemes, the rate of return to depositors is uncertain and only known after actual profits are accrued from the productive use of financial assets. Thus, depositors could lose part or all of their deposits in the event an Islamic financial institution suffers losses from bad investment decisions

In spite of the uncertainty of returns on deposits and the restrictive nature of conducting financial transactions, internationally Islamic banking has grown at an estimated annual rate of 15 percent during the last few years. Islamic banking market size was estimated to be about US$100 billion in the year 2000. Forty-eight developing and emerging market countries, representing about one-third of all IMF-member countries, are involved with varying intensity in Islamic banking(Errico et al. 1998: 4).

However, due to its rigid nature of conducting financial transactions, Islamic banking faces a difficult task of creating appropriate financial instruments that abide by the Shariah, and yet are flexible enough to accommodate the modern needs of other financial institutions, businesses, and individual customers. Malaysia is no exception. The growing market share of Islamic banking in Malaysia is due to heavy government intervention. Thus, if Islamic banking in Malaysia is to grow continuously in an increasingly global environment without government intervention and be a viable alternative to conventional banking, an important future task is the innovation of Islamic financial instruments that satisfy the needs of financial markets.

This paper is organized as follows. Section II discusses the basic principles of Islamic banking, PLS and non-PLS financing schemes, and compares Islamic and conventional banking. Section III describes the establishment of Islamic banking in Malaysia and analyzes its current status including supervision and potential problems. Section IV discusses the future prospects of Islamic banking in Malaysia and Section V summarizes and offers conclusions.

II. Principles of Islamic Banking

The most important principle of Islamic banking is that the system is interest-free because the Islamic law prohibits riba. In western societies usury is prohibited, but Islam prohibits Muslims from financial transactions based on interest regardless of the rates. Equitable distribution of income and wealth, and increased participation of the Muslim community in the economy are other important social and ethical motivations of Islamic banking.

Islam recognizes that capital is not costless, and the use of capital has to be compensated in some alternative form to interest. Thus, profit and loss sharing(PLS) arrangements are used in which the rate of return on financial assets is undetermined prior to financial transactions between depositors and banks. The actual rate of return is determined only after the actual profits and losses are accrued from the productive use of financial assets.

In Islamic banking, there are two types of deposits, investment and demand deposits. Neither offer fixed nor guaranteed rate of return. With investment deposits, the principal is not guaranteed. If a bank suffers losses due to bad investment decisions, depositors can lose all or part of their principal amount.

The only contractual agreement between banks and depositors is profits and losses are to be shared. Unlike investment deposits which do not guarantee principal and pay returns according to PLS schemes, demand deposits guarantee principals, but do not pay any returns.

Several differences between Islamic and conventional banking are shown in (Table-1). Unlike conventional banking system in which interest plays a major role, Islamic banking is based on profit-loss sharing on all banking activities. Demand deposits are guaranteed and do not pay any returns(interest) in Islamic and conventional banking. Conventional banking guarantees investment deposit principal, but in Islamic banking there is no guarantee of principal or return. Since Islamic banking is based on PLS schemes, a bank's investment performance is important. In a way, Islamic banks are similar to the mutual funds of investment companies in the modern financial sector because they accept deposits and later share profits with their depositors. Investment companies raise their capital by selling shares to the public, make various investments, and in return, the shareholders receive the net income or gains realized by the investment company.[2]

(Table-1) Comparison of Banking Frameworks

Characteristics	Islamic Banking	Conventional Banking
· Nominal value guarantee:		
Demand deposits	Yes	Yes
Investment deposits	No	Yes
· Equity-based system where		
Capital is at risk		
Rate of return on deposits		
· Mechanism in which final returns on deposits are determined.	Depend on banks' performance	Irrespective of banks' performance
· PLS principle is applied	Yes	No
· Use collateral in financing	Yes	Yes
· Banks act like investment companies	Yes	No

Source: Errico et al.(1998: 10)

2) While investment companies participate in non-banking activities like investing in the stock market, Islamic banks are involved in conventional banking activities such as lending to businesses and households. In Malaysia, investment companies currently manage about 46 RM billion.

There is a fundamental difference, however, between Islamic banks and investment companies. Shareholders of investment companies have the right to examine and question investment policy and can vote on certain issues pertaining to investment policy. Thus, shareholders of investment companies are well informed regarding their investment. In contrast, Islamic bank depositors receive a portion of profits or losses according to the PLS schemes, but have no voting rights because depositors do not have an ownership claim on bank equity capital. Thus, with no guarantee of returns, no voting rights, and no protection of investment deposits, depositors have greater incentives to monitor Islamic banks than conventional banks. Thus, the reduction of information asymmetry between Islamic banks and depositors through public disclosure of banks' management objectives and operational strategies is an important aspect of Islamic banking. Through transparency of banking operations, depositors according to their level of risk tolerance can make an informed decision of choice of banks when making deposits.

III. Islamic Banking in Malaysia

1. The Establishment of an Islamic Bank in Malaysia

Bank Islam Malaysia Berhad(BIMB) was the first full-fledged Islamic commercial bank of Malaysia. The government enacted amendments to the existing Banking Act of 1973 that allowed the establishment of BIMB in 1983. BIMB was not the first Islamic financial institution in Malaysia(Ariff 1988b: 46-62). The first Islamic financial institution was the Muslim Pilgrims Savings Corporation, which was established in 1963 to help customers to make haji(pilgrimage to Mecca and Medina). In 1969 the Muslim Pilgrims Savings Corporation evolved into the Pilgrims Management and Fund Board(PMBF) or the Tabung Haji. The PMBF was a non-bank financial institution which catered to the saving needs of the would-be pilgrims in accordance with the Shariah. The PMBF was highly popular and successful, and the success of the PMBF provided the major impetus for the establishment of BIMB.

In 1980 the Bumiputra Economic Congress passed a resolution urging the government to allow PMBF to establish an Islamic bank in Malaysia. Other organizations such as the Muslim Welfare Organization of Malaysia(PERKIM) and the Development Bank of Malaysia Berhad also pressured the government to study the various aspects of Islamic banking and its implementation. The government agreed in July 1981 to form the twenty-member National Steering Committee of Islamic Banks headed by special Advisor to the Prime Minister, Raja Tan Sri Mohar. The committee studied two areas of Islamic banking: 1) business aspects such as customer base, areas of operation, and relationships with other non-Islamic banks and 2) social aspects such as the implication of Islamic banking on other racial and religious groups. This study led to the Islamic Banking Act of 1983, which amended the Banking Act of 1973, and established the first Islamic commercial bank in July of 1983(Man 1988: 69-70). At the same time, the Government Investment Act of 1983 was enacted to empower the government to issue Government Investment Certificates(GIC), which based on the Shariah, allowed Islamic financial institutions to invest its funds in highly liquid and safe government bonds.

There are three basic operating principles for the BIMB: 1) the sharing of profits and losses and prohibition of riba(interest); 2) management of the bank based on Islamic transactions(Mu'amalah), all bank transactions shall not be in conflict with the Shariah and; 3) avoidance of the activities contradictory to the interest of the Muslim Ummah(community).

The original Banking Act of 1973 by establishing the rate of interest to be an important part of banking and not allowing banks to trade financial instruments was inherently inconsistent with Islamic banking. Qur'an allows trade but prohibits interest. Thus, several provisions were added to the Banking Act of 1973 to allow Islamic banking in Malaysia(Man 1988: 72). Bank Negra Malaysia(BNM), the central bank of Malaysia, set up an entirely separate financial structure to deal with Islamic banking, and thus Malaysia has two banking systems, conventional and Islamic. The initial capital of the BIMB was 80 RM million although the bank was authorized to raise 500 RM million. The government, other quasi-government and non-profit organizations contributed most of the initial capital(Table-2).

BIMB started its operation with 4 branches, but after more than a decade of operation, BIMB has rapidly expanded to 80 branches and 1,200 employees.

The bank was listed in the Kuala Lumpur Stock Exchange in January 1992(BNM 2000b).[3] In October of 1999, a second Islamic bank, Bank Muamalat Malaysia Berhad(BMMB) commenced operation.

(Table-2) Initial Capital of the BIMB

	(RM million)
Government of Malaysia	30
Pilgrims' Management and Fund Board	10
Muslim Welfare Organization of Malaysia	5
State Religious Council	20
State Religious Agencies	3
Federal Agencies	12
Total	80

Source: Man(1988: 72)

2. Current status of Islamic banking in Malaysia

Since 1993, starting with commercial banks, other non-Islamic financial institutions were allowed to offer Islamic banking services. By the end December 2000, 47 conventional financial institutions were participating in the Islamic Banking Scheme(IBS). As shown in (Table-3), IBS banking institutions offering Islamic banking consisted of 21 commercial banks and 26 other financial institutions.[4] The IBS banking institutions, however, are expected to decline to 35 due to bank mergers. In March 2001, BNM set up an ambitious 10-year master plan to make Malaysia a regional financial center for Islamic banking and finance. In order to achieve this goal, BNM set a policy goal of achieving a 20% financial market share by Islamic banks and IBS institutions by 2010.[5]

3) http://www.bnm.gov.my/fin_sys/islamic/.

4) Fourteen finance companies, five merchant banks and seven discount houses.

5) The share of Islamic banking assets in the banking system was 5.5% in 1999, and 6.9% at the end of 2000. Islamic deposits and financing accounted for 7.4% and 5.3%, respectively, in the Malaysian banking system in 2000.

(Table-3) Islamic Banking: Key Data

	1999	2000
Number of financial institutions	52	49
Commercial banks	22	21
Islamic banks	2	2
Others	28	26
Total assets(RM million)	36,136	47,068
Commercial banks	15,589	20,094
Islamic banks	11,724	14,029
Others	8,823	2,945
Total deposits(RM million)	24,804	35,923
Commercial banks	10,576	16,091
Islamic banks	9,685	11,304
Others	4,743	8,528
Total financing(RM million)	13,724	20,891
Commercial banks	4,920	8,606
Islamic banks	5,030	6,426
Others	3,774	5,859
Financing-deposits ratio(%)	55.3	58.2
Commercial banks	46.5	53.5
Islamic banks	194.0	88.7
Number of branches	128	131
Commercial banks	6	7
Islamic banks	120	122

Source: BNM(2000a)

(Table-4) Profitability and Asset Quality

(%)

	Conventional Banking		Islamic Banking	
Year	1999	2000	1999	2000
Return on assets	0.7	1.5	1.0	1.1
Return on equity	9.8	20.4	17.5	21.2
Non-performing loans(financing)	6.5	6.4	8.15	7.04

Source: BNM(2000a)

(Table-4) shows that Islamic banking is somewhat less sensitive to economic cycles than conventional banking. As the Malaysian economy registered a strong GDP growth of 8.5% in 2000, the return on equity in the Islamic banking sector increased marginally while conventional banking sector equity returns increased more than a hundred percent. In terms of bad debts, the Islamic banking sector has higher ratio of non-performing financing than the conventional banking sector.

In terms of fixed deposit rates, IBS rates are consistently low relative to conventional banking rates. This difference may reflect that Islamic banks could have poor asset portfolios(Table-5). During volatile economic conditions, the structural weakness of Islamic banking poses problems. In Malaysia, 90% of Islamic financing are negotiated on fixed-rate terms such as Murabahah(cost plus profit), Bai'Bithaman Ajil(BBA) (deferred payment sale), and Al-Ijarah Thumma Al-Bai'(leasing and subsequent purchase). When market interest rates rise, as in 1997, conventional banks can raise rates to reflect the higher costs of funding. IBS, however, cannot raise an agreed price due to the fixed nature of the Islamic financing scheme. This contributes to lower returns(deposit rates) to depositors(BNM 1997). When market interest rates fall, as in 1998 and 1999, IBS returns to depositors were higher, reflecting greater profits, than that of the conventional banks because most of Islamic financial instruments had a locked-in profit rate.

(Table-5) One-month Fixed Deposit Rate

Year	Conventional Banking	IBS
1993	6.36 %	4.21 %
1994	5.08 %	3.60 %
1995	6.61 %	4.83 %
1996	7.18 %	5.40 %
1997	8.81 %	6.01 %
1998	5.82 %	6.96 %
1999	3.24 %	4.20 %

Source: BNM. Financial Markets Statistics, various issues.

3. Islamic Banking Supervision

BNM supervises all banking activities, including Islamic banks, based on the Banking and Financial Institutions Act(BAFIA) of 1989. The BAFIA granted BNM broader supervision of financial institutions including finance companies. It also allowed financial institutions to offer a variety of financial products, blurring the distinction between commercial banks and other financial institutions. Shariah committees in Islamic banks also monitor bank compliance of the Shariah. Since Islamic banks can differ on the interpretation of the Shariah with respect to banking activities, BNM established the National Shariah Advisory Council on Islamic Banking and Takaful(insurance) in May of 1997. The primary objectives of the National Shariah Advisory Council on Islamic Banking are to: 1) act as the sole authority body to advise BNM on Islamic banking and takaful operations; 2) coordinate Shariah issues regarding Islamic banking and finance; and 3) evaluate newly introduced financial services of Islamic financial institutions.[6]

4. Potential Pitfalls of Islamic Bankingt

On average, most Islamic banks operate on a less risky, non-PLS mode of

6) http://www.bnm.gov.my/fin_sys/islamic/nsac.htm.

financing such as BBA.[7] BBA and Murabaha account for approximately ninety percent of the Islamic banking scheme in Malaysia.[8] A prime example of BBA financing is in property transactions. A bank buys property on the client's behalf and makes a deferred payment sales agreement with the client at a higher than original purchase price that includes the mark-up. The mark-up will depend on the stipulated profit rate of the bank and is fixed prior to the transaction.

Since Islamic banks cannot adjust the agreed upon mark-up rate on financial transactions, Islamic banks are more exposed to interest rate volatility than conventional banks. Conventional banks can adjust loan rates through the adjustable rate system. When market interest rates rise, Islamic banks have to pay higher deposit rates[9] to compete with conventional banks. Thus, profits of Islamic banks will suffer when interest rates rise because of the fixed nature of the BBA financing scheme. Then market interest rates fall, financing costs to a client of Islamic banks on existing contracts will be higher than conventional bank loans because the profit rates on Islamic financial instruments are predetermined. Thus, the demand for Islamic banking will suffer during times of declining market interest rates. Therefore, a financial innovation that can address the rigid aspects of Islamic financing schemes has to be implemented if the Islamic financial system is to become a viable alternative to the conventional banking system.

Since most Islamic banking customers are Muslims, their use of Islamic banking facilities is less sensitive to the economic aspects of banking. Any potential problems with Islamic banks can be unnoticed for a long time because a bank's solvency is rarely questioned due to the religious and quasi-governmental nature of Islamic banking. Thus, the need of tighter monitoring and control of banking activities are greater in an Islamic environment than in a conventional banking system.

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7) Errico et al.(1998: 28) state that non-PLS mode of financing accounted for 75.2% of Islamic Development Bank activities.

8) See Rosely(1999: 461-480). BBA is a contract for financing sales by deferred installment of payments. In a Murabaha financing scheme, payment can be made in full at the time of transaction instead of some future date.

9) As shown in (Table-5), lower profits of Islamic banks during the time of rising market interest rates as in 1997 results in relatively low deposit rates(returns) compared to conventional banks although Islamic bank deposit rates have risen compared to 1996.

Islamic banking, unlike conventional banking, offers financial products based on equity participation that can put depositor's principals at risk. There exists a greater risk exposure to depositors in Islamic banking than in conventional banking and depositors have more incentive to monitor banks' performance than conventional banks customers. Thus, the provision of information disclosure on every aspect of Islamic banking operations should be primary objectives of bank supervision.

IV. The Future Prospects of Islamic Banking in Malaysia

In Malaysia, the government has played a significant role in growth of Islamic banking and is playing an active role in making Islamic banking a major alternative to the conventional banking system. Initially, the Malaysian government was not enthusiastic about Islamic banking in Malaysia. Through lobbying efforts of Muslim groups, a worldwide insurgence of Muslim movements, and the election of Mahathir as Prime Minister in 1981, Islamization of Malaysia intensified and Islamic banking was approved in 1983. During the last seventeen years, however, government enthusiasm for Islamic banking has grown, and support for Islamic banking is expected to continue, which will further help the growth of Islamic banking in Malaysia.

An original motivation of Islamic banking according to the Shariah was to use PLS financing schemes to avoid the use of riba. PLS schemes are based on the sharing of profits and losses by the supplier and the user of the funds. Nevertheless, in reality, non-PLS financing schemes account for more than 90% of Islamic financing in Malaysia and other Muslim countries.[10] Since PLS schemes are an equity-based system, risk exposure to Islamic banks is greater than conventional banks. In a modern financial system many banks are not allowed to participate in equity-based financing. Islamic banks cannot escape from the risk exposure on equity financing, and therefore, Islamic banks

10) The negligible use of the PLS financing schemes is criticized as not reflecting the true spirit behind Islamic banking. See Man(1988: 91).

participate mainly in short-term non-PLS financing schemes. Unless financial derivatives that reduce the financial exposure of PLS schemes are introduced, banking based on the PLS arrangements, as the current status of Islamic banking shows, will not be an important aspect of Islamic banking.

Non-PLS financing schemes reduce equity exposure of Islamic banks, but these schemes lack flexibility in times of greater economic volatility. conventional banks can, for example, adjust their interest rates following market interest rate changes, but Islamic banks cannot adjust their pre-determined profit rate when economic conditions change. This inflexibility makes Islamic banks vulnerable to volatile economic conditions, more so than conventional banks. Therefore, the introduction of various Islamic financial products that can address the rigid nature of Islamic banking is required for the future growth of Islamic banking. BNM subject to approval recently allowed Islamic financial institutions to offer Islamic floating-rate financing products to add greater flexibility to Islamic financing schemes. However, most non-PLS financial instruments are short-term in nature and do not meet the needs of customers seeking longer term financing. To address this issue, BNM granted financial institutions greater flexibility in offering pricing terms and maturity structure on Islamic Negotiable Instruments during the year 2000.

As mentioned earlier, depositors of Islamic banks have greater risk exposure on their capital due to the equity-base nature of Islamic banking. Thus, in order for Islamic banking to prosper, a better regulatory and legal framework, which enhances the transparency through strict disclosure of all banking activities is necessary. BNM, in its financial sector master plan, states several stages an effective regulatory and legal framework will help the future growth of Islamic banking(BNM 2000a).

Most Islamic banks have problems with excess liquidity(Naughton 1990: 29). In 2000, while conventional banks had a loan-to-deposit ratio of 85%, Islamic banks had a financing-to-deposit ratio of 58%. This excess liquidity is due to the fact that the growth of Islamic financing is lagging compared to an increase in deposits. It reflects an insufficient set of financial instruments available to Islamic banking and an important area that Islamic banking must address to avoid excess liquidity, thereby achieving diversified asset portfolios to improve the overall returns of Islamic banking assets.

In an economic environment with rapid globalization of financial markets, an important future task of Islamic banking is its relationship with foreign banks(Maysami et al. 1998: 233-239). Although there exists no significant relationships between Islamic banks and foreign banks in Malaysia, an increasing number of Western financial institutions have started to offer various Islamic financial products in other Muslim countries.[11] Malaysia's goal to become a regional financial center in Islamic banking will be difficult to achieve unless a range of international financing techniques based on Islamic banking are introduced.

V. Summary and Conclusions

In a country with multi-racial and religious groups, the growth of Islamic banking in Malaysia has been impressive since its inception in 1983. Unlike Pakistan and Iran that solely practice Islamic banking, Malaysia is unique because the Islamic banking system co-exists with the conventional banking system.

But due to the rigid nature of Islamic banking, the Islamic banking system of Malaysia would not have grown as much without government efforts to make Islamic banking a viable alternative to conventional banking. Islamic banking cannot be a practical alternative to conventional banking unless it has many participants, including other financial institutions, and a variety of financial instruments that can satisfy the numerous needs of financial markets.

Islamic banking is an equity-based PLS system in which the supplier and the user of funds share profits and losses. Return and principal on investment deposits are not guaranteed, and depositors do not have any claim on banking practices because they do not have any claims on the equity ownership of the banks. Therefore, transparent disclosure laws regarding banking activities are

11) The Citibank was the first major conventional bank to establish an Islamic bank in Bahrain in 1996. Other financial institutions followed suit. For example, Germany's fourth largest bank, Commerzbank, introduced Islamic mutual funds from December 1999. In February 1999, the Dow Jones Islamic Market Index(DJIM) of 600 companies worldwide was introduced. See, http://www.alrajhibank.com.sa/historyandgrowth.htm.

necessary to protect depositors. Moreover, banks themselves can be exposed to greater risks in equity participation banking schemes.

To avoid risks, most Islamic banks rely on non-PLS financing schemes. The heavy dependence on non-PLS schemes by Islamic banks, some Islamic scholars argue, violates the true spirit of the Shariah, which emphasize the sharing aspects of banking. Thus, Islamic banks are faced with challenging tasks of introducing Islamic financial instruments that abide by the Shariah, and yet satisfy the financial needs of market participants, mainly banks, entrepreneurs, and depositors.

Finally, Islamic banking financing techniques are not flexible enough relative to conventional banking financial instruments. This rigidity of Islamic banking is more apparent during times of great economic volatility. Thus, the introduction of a variety of financial products that can meet the needs of the financial market will, in the long run, insure a continuous growth of Islamic banking in Malaysia without heavy government intervention.

Key Words : Islam, Malaysia, Banking System

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말레이시아의 이슬람 은행제도

이 성 량

총 인구 2200만 중 약 60%의 인구가 회교도인 말레이시아는 종교적인 이유로 이슬람 은행을 선호하는 소비자들을 위하여 2중(Conventional, Islamic) 은행체제를 운용하고 있다.

말레이시아의 이슬람 은행 제도는 1983년 설립되었다. 이슬람 은행 설립 과정에서 말레이시아 정부의 역할은 결정적이었다. 말레이시아 정부는 다수의 이슬람 단체의 이슬람 은행 설립 요구에도 불구하고 이슬람은행 설립에 부정적이었다. 그러나 1970년대 전 세계적 이슬람 부흥운동과 1981년 마하티르 총리의 당선이 맞물려 이슬람 은행은 적극적인 정부지원 하에 설립되었다. 작은 자본으로 시작된 말레이시아의 이슬람 은행은 현재 총 말레이시아 은행 자산의 6.7%의 비중을 차지할 만큼 높은 성장을 이룩하였다.

말레이시아 정부는 현 이슬람 은행의 자산비중을 2010년까지 총 은행 자산의 20%를 목표로 세우고 있다.

이슬람 은행은 특성상 이슬람교의 교리에 따라서 은행 이자의 사용을 금지하고 있다. 은행이자의 사용 금지로 이슬람 은행은 이론적으로는 고객과 은행이 손익을 분담하는 운용 체제를 갖고있다. 그러나 이러한 손익분담 운용은 위험부담이 많기 때문에 대다수의 은행은 비 손익분담 방식을 활용한다. 비 손익분담 금융제도는 금융상품에 제한적인 한계가 있다. 그러므로 이슬람 교리를 따르면서 고객들의 요구를 만족시킬 수 있는 다양한 은행 상품의 개발이 이슬람 은행들의 중요한 관건이라 하겠다.

말레이시아 이슬람 은행들의 성장은 정부지원이 중요한 역할을 하였고 정부지원은 계속 될 것으로 예상되나 시장요구를 충족시킬 수 있는 다양한 금융상품의 개발이 이슬람 은행의 지속적인 장기발전에 가장 중요한 과제라 하겠다.

주요 용어 : 이슬람, 말레이시아, 은행제도