

## **CHAPTER 4**

### **MUSLIMS LECTURERS' ADOPTION OF ISLAMIC BANKING PRODUCTS AND SERVICES**

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#### **INTRODUCTION**

Malaysia is one of the Islamic countries submitted to developing an Islamic banking system and a complete Islamic financial system. The Islamic banking system was begun when the Islamic Banking Institutions (IBI) was introduced by the establishment of Bank Islam Malaysia Berhad (BIMB) in 1983. The establishment of the Islamic banking system was the target of the Malaysian government to make it parallel to the conventional system. Rather than setting up numerous Islamic banks, the government, at that point, presented an idea of an 'Islamic window' which enables the existing conventional banks to introduce and, after that, serve Islamic banking products and services to the customer. Islamic banks are no longer extended business entities operated only to fulfil the Muslim community's religious obligation but to cater to the needs and demands of new customers as well (Ibrahim, 2015). The idea of an Islamic window began in March 1993 when Bank Negara Malaysia (BNM) presented the idea of the "Interest Free-Banking Scheme". Generally, Islamic banks are non-interest-based financial institutions that agree with Islamic Laws.

The development of Islamic banking in Malaysia can be attributed to the rise of Islamic awareness—Al Nasser and Muhammed (2013) state that Malaysia has succeeded in promoting a comprehensive Islamic banking system. Once again, from the establishment of urban communities