

The Influencing Factors for Usage of Islamic Banks in Sri Lanka among Muslims. (With Special Reference of Amana Bank)

Supervisor

*Mr. MHM. Nairoos,
Lecturer (Prob.),
Faculty of Islamic studies
& Arabic Language,
SEUSL*

Researcher

*Ms. AKL. Nisha,
Department of Islamic Studies,
Faculty of Islamic studies
& Arabic Language,
SEUSL*

ABSTRACT

Financial Institutions are very essential and back bone of every economy of the country because they are the most contributing factor to keep the country on the path of economic growth and development. Its' financial system or policy gives financial health and stability for the financial organizations. The significance of the study is to provide a comprehensive picture on factors which strike for the usage of Islamic banks in Sri Lanka. This study investigates two research questions in order to find out the extent of the increment of usage in Islamic banks for the particular period and to examine the challenges faced by the Islamic banks. The first one is "What are the factors that influencing for the usage of Islamic banks?" and the "What are the challenges faced by the Islamic banks.

Specifically, Amana bank Ltd selected for this study. Secondary data were used for this study which is obtained from the web side of selected bank and their annual reports. The Correlation Analysis used as a method of analysis.

According to the findings of this study, in the case of Sri Lankan banking Industry, the Islamic banks have been growing rapidly through the past few years. Some factors impact on Islamic banks positively and some impact negatively. Even if there is a positive or negative relationship between dependent and independent variables, according to correlation analysis if some Hypotheses are accepted that means there is relationship between dependent and independent variables. If some hypotheses are rejected that means there is no relationship between dependent and independent variables.

According to this study most of the factors are influencing for the increasing usage of Islamic banks in Sri Lanka. The implication of this research guide for the decision makers, policy makers and future researchers as well.

Keywords: Islamic bank, Amana bank, financial statements, Accounts, Bank assets.