

One of the major difficulties in moving to Islamic banking operations has been the general lack of awareness and education about the concepts of Islamic



finance. A wrong notion appears to occupy peoples' mind that Islamic banking means money becoming available free of any return. Policy makers, bankers, business community, industrialists, Shariah scholars, students and other members of the society, therefore, need to know what Islamic finance is and what are its features and philosophy.

To promote awareness about Islamic banking, availability of comprehensive material on this emerging subject, proper education and training in theory and application of new system would be necessary. I am glad that Mr. Muhammad Ayub, Head of Islamic Economics Division of the State Bank has done a commendable job in preparing this manual, which elaborates the nature and philosophy of Islamic banking and finance.

I hope that students, bankers, and all others interested in Islamic financial system will benefit from the publication.

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