

MUSLIMS' DEMAND ON ISLAMIC FINANCIAL INSTITUTIONS IN WELIMADA DIVISION, SRI LANKA

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Abstract: Islamic banking is an investment and financing concept which expands globally. It's an alternative banking and finance method is one of the fastest growing industries in the world. With double digit growth rate, the operations of Islamic Banks had been accepted and adopted in more than 75 countries. Islamic banking is providing a wide variety of the products which competitive to the conventional banking system. Islamic banking is different from conventional banking in most aspects, since its close tie to religion is very important. In Sri Lanka, Islamic Banking and Finance operations started in late 90's. Since then this industry is growing in terms of Islamic banks and financial institutions. People are becoming more aware of the Islamic banks in various districts. The Objective of this paper is to explore the Muslim's demand on Islamic banking and finance in Welimada Division. Population of the study is the total Muslims live in Welimada area. To achieve the above objective the researcher has distributed 157 questionnaires in total and samples selected randomly and followed a quantitative research method. The main finding is that while there is a huge demand for Islamic banking and finance at present in Welimada division. People prefer Islamic banking and willing to deal with Islamic banks. Availability of conventional bank and unavailability of the Islamic bank is the main reason for using conventional bank. System & banks.

Keywords: Islamic bank, financial institution, conventional bank, demand, Sri Lanka