Islamic banking practices represent a unique approach to finance, rooted in principles derived from Islamic law (Shariah).In the woman's case, her reluctance to fully embrace Islamic finance highlights the need for targeted educational and communications strategies to bridge the knowledge gap and alleviate clients' concerns.Despite her familiarity with conventional banking practices, she expressed confusion and skepticism about the concept of profit sharing in Islamic finance.Despite the bank's attempts to simplify explanations and provide educational materials, the woman struggled to understand the nuances of Sharia-compliant banking practices, resulting in feelings of alienation and discomfort.PLS financing entails a contractual arrangement, known as Musyarakah, wherein both the Islamic bank and its clients contribute capital and potentially engage in managing the enterprise.Despite the equitable nature of this arrangement, Islamic banks tend to exercise caution in its provision, given the inherent unpredictability of returns and the potential for significant losses (Sutrisno & Widarjono, 2022).Despite the bank's efforts to explain the principles of mudaraba and the risk-sharing nature of Islamic investments, the woman remained hesitant and uncertain about the suitability of Islamic banking for her financial goals.Customers' lack of understanding of the principles of Islamic banking has significant implications for Al Rajhi Bank, as it undermines trust, prevents customer engagement, and poses challenges to cross-selling and product adoption.Unlike conventional banking, which is based on interest-based transactions, Islamic banking operates on principles of risk-sharing, asset-backed financing, and ethical investment.

Summarized by © lakhasly.com