

Nasiha Osmanović, M.Sc.
Remontmontaža d.d. Tuzla, nasihao@yahoo.com

FINANCING TECHNIQUES IN THE ECONOMIC ACTIVITIES OF ISLAMIC BANKS

Review

Abstract

The aim of this paper is to present what types of financing techniques Islamic banks use to perform their economic activities, in which way Islamic banks rise financial resources and how they use them in lieu of gain the profit and efficiency.

The function of Islamic banks is similar to the conventional banks, major difference is that Islamic banks operate on the interest-free basis. It has also been mentioned significance and the role of various Islamic models or techniques, and which of those techniques are the most suitable in Islamic Finance. With different forms of contracts, Islamic finance gives an efficient alternative approach to the conventional banking. As Islamic banks do not involve interest in their transactions it has been described in which way Islamic banks obtain their efficiency and how they operate to earn a profit.

Keywords: *financing techniques Islamic banks, economic activities, financial resources, profit*