

ISLAMIC BANKING AND FINANCE: A SURVEY OF THE LEVEL OF AWARENESS AND KNOWLEDGE OF MUSLIMS IN NIGERIA

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ABSTRACT

The paper examined the level of knowledge and awareness of Muslims on Islamic banking in Nigeria. The data was obtained through purposive sampling method using 500 structured questionnaires spread across 5 states in Northern Nigeria which includes, Sokoto, Zamfara, Kano, Jigawa and Maiduguri states. 478 questionnaires (95.6%) were returned which were used for the analysis. The survey employed expository method of data analysis. It was discovered that most of the respondents who were mostly Muslims have knowledge gap on the practice of Islamic banking. Most of them thought that Islamic banks were religious enterprises that do not accept non-Muslim customers and also have the general notion that Islamic banks were like charity organizations making profits was not necessary. It was recommended that the Central Bank of Nigeria, Jaiz Bank (the only Islamic bank in Nigeria), and other Deposit Money Banks with Islamic windows should intensify public enlightenment campaign through the mass media on what Islamic banking and finance entails.

Keywords: Islamic banking, awareness, knowledge, Nigeria

1.1 Introduction

Islamic banks operate according to the dictates of Islamic principles (Sharia) in carrying out their transactions. Clearly the Sharia forbids all forms of transactions that involves the payment or receipt of interest. Also prohibited are *gharar* (uncertainty and risk), *maysir* (gambling) and *haram* (religiously forbidden) products e.g. pork, pornography, prostitution and alcohol. Though trading is highly recommended, however, profits must be the outcome of proportionate risk sharing. Profits must not be earned 'risk-free' by

making a collateralized loan. The terms of a contract should be well defined and devoid of all ambiguity (See Bassens. Derudder & Witlox, 2010; Khan, 2010; Pollard & Samers, 2007). Although Islamic banks also offer more or less similar products and services offered by conventional banks, such as, current accounts, credit cards, investments in securities, cheque collection, etc. (Naser et al., 1999; Haque, 2010).

It is worth noting that, Islamic banking is no longer regarded as a business entity

striving only to fulfill the religious obligations of the Muslim community, but also fulfill the need of non-Muslims by offering attractive products (See Wilson, 1995; Arshad, 2011). The last four decades have witnessed the rise and spread of over 300 Islamic financial institutions across 70 countries in the world. . For instance, there are now 5 fully fledged Islamic retail banks in operation in addition to 17 conventional banks that have set up windows in the UK to provide Islamic financial services and 19 Islamic financial institutions in the USA (Onakoya & Onakoya, 2013; Johnes, *et al*, 2013). In 2008 the value of the world's "Islamic assets" was about US \$700 billion with a growth rate of 15% (Chong & Liu, 2009; Khan, 2010).

On August 2010, the Central Bank of Nigeria (CBN) introduced Islamic banking as a new model into the mainstream or conventional banking system. However, this new policy generated controversy and mixed reactions from the Nigerian populace. The polity was heated along religious divide with mostly Christians raising accusations that the policy was aimed at Islamizing the banking sector whereas Nigeria is a secular state (see David and Esther, 2012). The hullabaloo on one hand was on the notion that, the emergence of the policy was a plan to introduce Islamic principles into conventional banking practices in the country. While on the other hand, there were those who were optimistic that Islamic banking could be a veritable alternative for interest-free capital (reduce cost of business), therefore it could be worth the while for entrepreneurs constrained by capital or collateral. Okeke & Uche, (2012) and David & Esther (2012) observed that little thought was given by the different parties over the basic idea behind the Islamic (non-interest) system of banking and the gains the country stands to derive from it, rather most of the agitations were based on ethno - religious sentiments which has continued to bedevil Nigeria's socio-economic development.

It is not the aim of this paper to join this debate rather it will focus on the discovery of the level of knowledge and awareness of Muslim customers on Islamic banking since they will presumably form the priority clientele of the newly established Islamic banks as well as several other Islamic windows that will emerge from conventional banks. According to Echchabi & Abd.Aziz (2012), religious clients are more captive to Islamic banks following their will to respect shari'ah than non-religious clients.

Given the dominance and comparative advantage of conventional banks in Nigeria and most Muslim countries, it could be worth the while for Islamic banks to fully understand the nature, preferences and the level of awareness their potential customers especially Muslims have on Islamic banking. There could be good reason to suggest that the level of awareness and knowledge customers have could to some extent influence the choice for a product. Conventional banks have comparative advantage in terms of superior technology, experience, marketing strategies, international connections and better customer relations (Iqbal, 2001; Arshad, 2011).

Therefore, the overall objective of this paper is to examine Muslim customers' awareness, and knowledge of Islamic banking in Nigeria. The data was generated using 500 generic questionnaires that were distributed to Muslim customers in five selected states in Northern Nigeria. Simple descriptive statistics was used for the data analysis. The rest of the paper is organized as follows: Section 2 presents a review of Islamic Banking policy in Nigeria and relevant literature. Section 3 discusses the methodology employed in the study. Section 4 presents the findings and data analysis. Section 5 concludes the paper followed by recommendations based on the findings.

2.1 A Review of Islamic Banking Policy in Nigeria

The Central Bank of Nigeria (CBN 2011) guidelines for the operations of Non-Interest Financial Institutions (NIFI) were issued pursuant to the Non-Interest banking regime under Section 33 (1) (b) of the CBN Act 2007; Sections 23(1) 52; 55(2); 59(1)(a); 61 of Banks and Other Financial Institutions Act (BOFIA) 1991 (as amended) and Section 4(1)(c) of the Regulation on the Scope of Banking Activities and Ancillary Matters, No. 3, 2010. It shall be read together with the provisions of other relevant sections of BOFIA 1991 (as amended), the CBN Act 2007, Companies and Allied Matters Act (CAMA) 1990 (as amended) and circulars/guidelines issued by the CBN from time to time. Its new banking model authorizes the establishment of the following banking structures as defined under the Banks and Other Financial Institutions Act (BOFIA) 1991 as amended: (i) Commercial Banks (ii) Merchant Banks; and (iii) Specialised Banks.

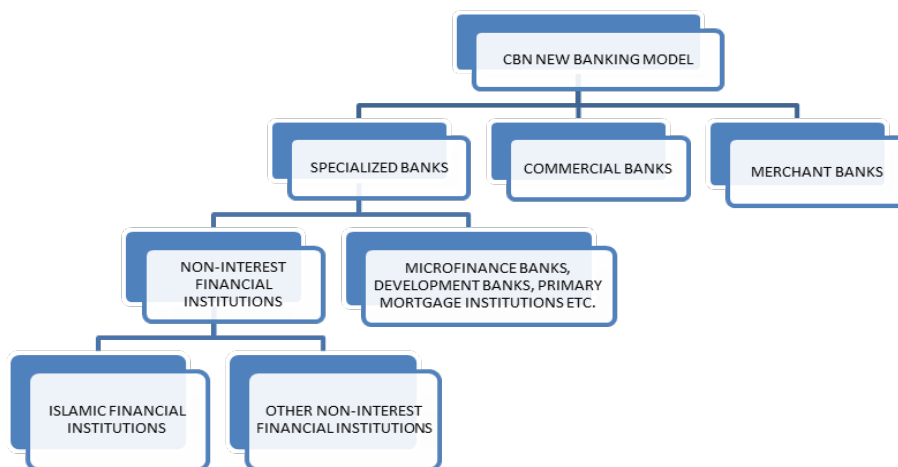
Specialised Banks include non-interest banks, microfinance banks, development banks, mortgage banks and such other banks as may be designated by the CBN from time to

time. The emphasis of the guideline was on Non-Interest Financial Institutions operating under the principles of Islamic Commercial Jurisprudence, one of the categories of Non-Interest Financial Institutions (NIFI). In addition, other guidelines in the conduct of banking under the principles of Islamic commercial jurisprudence, e.g., operational, corporate governance, product compliance, risk management and capital adequacy, etc. will be issued in due course. NIFI means a bank or Other Financial Institution (OFI) under the purview of the Central Bank of Nigeria (CBN), which transacts banking business, engages in trading, investment and commercial activities as well as the provision of financial products and services in accordance with any established non-interest banking principles (CBN, 2011).

Non-interest banking and finance models are broadly categorized into two:

1. Non-interest banking and finance based on Islamic commercial jurisprudence;
2. Non-interest banking and finance based on any other established non-interest principle.

Figure 1 Central Bank of Nigeria New Banking Model



Source: CBN, 2011

Islamic banking as one of the models of non-interest banking, serves the same purpose of providing financial services as do conventional financial institutions. Islamic banking operates in accordance with principles and rules of Islamic commercial jurisprudence that generally recognizes profit and loss sharing and the prohibition of interest, as a model.

Other non-permissible transactions include those involving any of the following: Uncertainty or ambiguity relating to the subject matter, terms or conditions; Gambling; Speculation; Unjust enrichment; Exploitation/unfair trade practices; Dealings in pork, alcohol, arms & ammunition, pornography and; Other transactions, products, goods or services which are not compliant with the rules and principles of Islamic commercial jurisprudence (CBN, 2011).

Non-interest banks in Nigeria come in two forms. The first is National non-interest bank which is mandated to have a capital base of N10b and operate in all the 36 states of the federation including the federal capital. While the second is the Regional non-interest banks which is required to have a capital base of N5 billion and will have its presence in at least, six states and at most, twelve states of the Federation, and within one but not more than two political zones of the Federation. In January, 2011, Nigeria's apex bank released the framework for supervising and regulating interest free banking with Ja'iz International bank as the first fully fledged Islamic non-interest bank in Nigeria. It has its head office in Abuja and branches in Kaduna, Katsina, Gombe, Maiduguri, Zamfara, Lagos, Sokoto, Bauchi and Kano states respectively (See Fada & Bundi, 2012; Jaizbankplc.com).

2.2 Literature Review

Warde (2000) defines Islamic finance as, roughly, all financial practices that "are based, in their objectives and operations, on Qur'anic

principles and Hadith of the Holy Prophet (SAW)" This is a broad definition, but it captures the essential nature of Islamic economics as an attempt to reconcile religious principles with economic activities. This goes far beyond interest-free banking to include, for example, refusing to do business with companies that operate in morally impermissible sectors such as gambling, alcohol, pork products, pornography etc. (see Pepinsky, 2013; El Hawary, *et al.* (2007)

Islamic scholars have explained the rationale for forbidden interest due to an inherent asymmetry in such between creditors and debtors, as the former expects a steady flow of interest from investment, while the latter bears most (or all) the risk, who must pay back the loan regardless of whether he/she actually obtains profits from the productive use of the loan or not.

Islamic scholars have posited that a legal contract is the one that allows risk to be shared among the parties involved in the contract. It therefore, regards Profit-and-Loss Sharing (PLS) as an alternative paradigm. Prohibiting *riba* (interest or usury) and promoting risk-sharing make the suppliers of funds investors instead of creditors. Sharing of profits is justified because each party shares in the responsibility of the economic activity. The lender is entitled to the profits only because he/she bears the risk in case of loss (Iqbal and Mirakhor, 2007; Pollard and Samers, 2007; Pepinsky, 2013). For the purpose of this research we refer to Islamic banking to include Islamic finance. Therefore Islamic banking or Islamic finance and *isalami* banking and finance may be used interchangeably

Ahmad *et al* (2012) examined the perception of bank customers regarding service quality of the Islamic banks as well as conventional banks in Pakistan. Data were collected from 720 bank customers using stratified random sampling. Levene's tests as

well as t-test were used for the analysis. It was found that the perception of customers of Islamic banks regarding service quality is higher than the perception of customers of conventional banks. They also discovered that gender affects the perception of Islamic bank customers while it was not significant for conventional banks. Bankers can attract more customers by launching effective marketing campaigns to enhance awareness towards quality of their services. Echchabi and AbdAziz (2012) examined the willingness of the Moroccan customers to adopt Islamic banking services and the factors that might influence their decisions. A total of 200 questionnaires were randomly distributed. Multiple regression and one sample t-test were subsequently applied. The results showed that uncertainty, relative advantage, compatibility, awareness as well as subjective norm, have a significant impact on the attitude towards Islamic banking services in Morocco.

Azeem (2011) examined the impact of awareness of Islamic banking products, marketing strategy regarding advertisement by Islamic Banking and Finance, and the cost of products and services on the Pakistani corporate customer's perception towards Islamic banking selection. Using correlation and regression analysis, he discovered that all the three independent variables were significant in determining corporate customers' perception of Islamic banking. In their study, Hamid and Nordin (2001) surveyed Malaysian commercial bank customers, and found a high awareness of Islamic banking but poor self-reported knowledge of specific Islamic products, including poor understanding of the difference between Islamic and conventional banking.

Arshad, *et al* (2011) conducted their study to gauge the perceptions of employees in both Islamic banks and conventional banks of Islamic products and services, the training and experience gained in Islamic banking, and the

future potential of Islamic banking in Pakistan. The results revealed that bankers in Islamic banks have more positive perceptions on the above issues. However, only few of the bankers possessed a relevant academic background or experience and knowledge in Islamic banking before embarking on this career. Thus, the issue of the availability of well-trained and skilled employees must be addressed critically by the government, industry players and educationists for the sustainable growth of Islamic banking in Pakistan.

Rustam, *et al* (2011) examined the perceptions of corporate customers towards Islamic banking products and services in Pakistan. The study discusses the three main parameters i) the usage of conventional and Islamic banking facilities, ii) respondents' understanding of Islamic banking system, and iii) their personal opinion on various aspects of Islamic banking products. A total of 100 structured questionnaires were administered. The results indicated that Islamic Banking products and services had a good potential within Pakistani corporate sector.

Fada and Bundi (2012) sought to investigate people's perception towards Islamic banking in Gombe local government area, Nigeria. The data was collected using a questionnaire with a sample of 134 respondents. Using an expository analysis the study revealed that most of the people in the study area misconceived Islamic banking and therefore, a call was made on the relevant stakeholders to enhance enlightenment campaign on Islamic banking, its products, services, and economic benefits.

3.1 Methodology

3.2 Population

The population of the study comprises all Muslims in Nigeria in the 36 states including the Federal capital who are capable of taking

decisions in the use of Islamic banks or Islamic products.

3.3 Sample and sampling technique

A purposive Sampling was used in selecting the States for the study. A purposive sampling is concerned with the choice of a sample explicitly because of a particular feature of the element in the group (Taylor, Sinha and Goshal 2006) Five states in Northern Nigeria were sampled for the study because they are predominantly Muslims. The states includes Sokoto, Zamfara, Kano, Jigawa, and Borno states. 500 questionnaires were distributed, 100 in each state. The respondents who were mainly Muslims were randomly selected. 478 questionnaires were filled and returned, and were used for the analysis.

3.4 Research Instrument

Structured questionnaire was designed for this study which consists of two parts. The first

part deals with demographic information of the respondents which includes sex, age, education, and income level. Respondents' knowledge and awareness on Islamic banking were asked in the second part of the questionnaire.

3.5 Statistical Technique

The statistical techniques for this study involve descriptive statistics which was used to analyze the data of the respondents using outputs from SPSS version 20.

4.1 Results and Data Analysis

4.1.1. Demographic Profile of the Respondents

The background of respondent based on gender, age, marital status, level of education, occupations, monthly income, and work experience are shown in Table 14.1:

Table 14.1: Demographic Profiles of the Respondents

Descriptions	*Frequency	Percent	Cumulative Percent
Gender:			
Male	406	84.9	84.9
Female	72	15.1	100.0
Total	478	100.0	
Age:			
less than 30 years	201	42.3	42.3
30 - 39 years	145	30.5	72.8
40 - 49 years	97	20.4	93.3
50 and above	32	6.7	100.0
Total	475	100.0	
Marital Status:			
Single	171	35.9	35.9
Married	285	59.9	95.8
Divorced	7	1.5	97.3
Widowed	13	2.7	100.0
Total	476	100.0	
Education:			
Non Formal Education	10	2.1	2.1
Primary	6	1.3	3.4
Secondary	126	26.5	29.8
Tertiary	334	70.2	100.0
Total	476	100.0	

Occupation:			
Civil Servant	267	57.1	57.1
Private Sector	16	3.4	60.5
Student	27	5.8	66.2
Business	154	32.9	99.1
Others	4	.9	100.0
Total	468	100.0	
Income:			
Less than N18,000	133	29.2	29.2
N18, 000 - N50,000	127	27.9	57.0
N51,000 - N100, 000	72	15.8	72.8
N101, 000 - N150,000	66	14.5	87.3
N151,000 and above	58	12.7	100.0
Total	456	100.0	
Work Experience:			
Less than 1 years	86	18.8	18.8
1 - 5 years	118	25.8	44.6
6 - 10 years	99	21.7	66.3
Above 10 years	154	33.7	100.0
Total	457	100.0	

*Note that missing values were not included in the analyses. Source: Field Survey, 2013.

Out of the 500 survey questionnaires administered only 478 were returned that's about 95.6 per cent. From the 478 total respondents as revealed in Table 4.1, majority (406) were males constituting 84.9% whereas females (72) make up 15.1%. Therefore, any analysis based on gender is not conclusive since the data is not gender balanced. In terms of age structure of the respondents, the majority (42.3%) were young, that is, less than 30 years followed by those between 30 – 39 years which formed 30.5%. As indicated by the result, 59.9% of the respondents were married which puts them in the majority whereas the singles stood at 37.9% respectively. In indicating their level of education most of the respondents about 70.2% had tertiary education while 26.5% had secondary education. Only very few had non-formal education (2.1%) and primary education (1.3%). The results further showed that 57.1%

of the respondents were civil servants whereas 32.9% were those in Business who took part in this study. The private sector employees and Students were 3.4% and 5.8% respectively.

The result further revealed that most of the respondents were earning above the national minimum wage of N18,000 as the result in Table 4.1 indicates as only 29.2% were earning less than N18,000 per month. Among those earning less than N18,000. The result from the survey indicates that majority of the respondents (33.7%) have work experiences of 10 years and above. The result also showed that those with work experiences of between 1 – 5years and 6 – 10 years formed 25.8% and 21.7% respectively. With good number of years in service, it could be taken for granted that the respondents were in a position to make good assessments of bank services.

Table 4.2 Respondents with accounts in Conventional Banks

	Frequency	Percent	Cumulative Percent
Yes	337	73.7	73.7
No	120	26.3	100.0
Total	457	100.0	

Source: *Field Survey, 2014*

The data from the survey revealed that 73.7 % or 337 of the respondents have accounts with deposit money banks as shown in Table 4.2 above.

Table 4.3 Duration of holding account with Conventional Banks

	Frequency	Percent	Cumulative Percent
less than 1 years	72	16.3	16.3
1 - 5 years	169	38.1	54.4
6 - 10 years	102	23.0	77.4
Above 10 years	100	22.6	100.0
Total	443	100.0	

Source: *Field Survey, 2014*

Since most of the respondents were young it is expected that they might have not been working for long and therefore, it's not a surprise that majority of them (38.1%) have had bank accounts for between 1 – 5 years as in Table 4.3.

4.1.2. Analysis of Knowledge of the Respondents on Islamic Banking

In order to account for the self-reported knowledge of the respondents on Islamic banking, the responses were disaggregated in terms of four main variables gender, age, education, and occupation. This will enable the researchers to measure the relative differences if any, of the knowledge of the respondents on Islamic banking in terms of these four selected variables. The same variables were also used to measure the relative awareness of the respondents on the introduction of Islamic banking in Nigeria.

Table 4.10 Knowledge and Gender**Gender * How would you rate your knowledge on Islamic banking? Cross tabulation**

Count		How would you rate your knowledge on Islamic banking?				
		Excellent Knowledge	Good Knowledge	Poor knowledge	No knowledge at all	Total
Gender	Male	129	207	39	23	398
	Female	28	35	4	0	67
Total		157	242	43	23	465

Source: *Field Survey, 2014*

Most of the respondents claim to have either good knowledge (242) or excellent knowledge (157) of Islamic banking. Disaggregating self-reported knowledge on Islamic banking in terms of gender as shown on Table 4.10 men were more knowledgeable on Islamic banking than women. Only very few had poor knowledge (43) or no knowledge at all (23). Therefore, we could take it for granted that most of the respondents had sufficient knowledge of Islamic banking to be able to state their opinion on it.

Table 4.11 Knowledge and Age**Age * How would you rate your knowledge on Islamic banking? Cross tabulation**

Count		How would you rate your knowledge on Islamic banking?				
		Excellent Knowledge	Good Knowledge	Poor knowledge	No knowledge at all	Total
Age	less than 30 years	81	100	5	10	196
	30 - 39 years	43	75	14	9	141
	40 - 49 years	28	44	19	3	94
	50 and above	5	20	5	1	31
Total		157	239	43	23	462

Source: *Field Survey, 2014*

Majority of the respondents had either good knowledge (239) or excellent knowledge (157) on Islamic banking. However, results from the study in Table 4.11 revealed that the younger respondents (196) were more knowledgeable on Islamic banking in the study area. Only 23 of the respondents had no knowledge at all on Islamic banking.

Table 4.12 Knowledge and Education**Education * How would you rate your knowledge on Islamic banking? Cross tabulation**

Count		How would you rate your knowledge on Islamic banking?				
		Excellent Knowledge	Good Knowledge	Poor knowledge	No knowledge at all	Total
Education	Non Formal Education	3	4	2	1	10
	Primary	1	5	0	0	6
	Secondary	54	56	6	8	124
	Tertiary	99	175	35	14	323
Total		157	240	43	23	463

Source: *Field Survey, 2014*

Table 4.12 above indicates that the respondents with tertiary education (323) had the highest self-reported knowledge on Islamic banking among 463 valid respondents. The level of knowledge is then followed by those with secondary education (124). This could be a pointer that there is some correlation between level of education and Islamic banking knowledge among the respondents in the sampled areas.

Table 4.13 Knowledge and Occupation**Occupation * How would you rate your knowledge on Islamic banking? Cross tabulation**

Count		How would you rate your knowledge on Islamic banking?				
		Excellent Knowledge	Good Knowledge	Poor knowledge	No knowledge at all	Total
Occupation	Civil Servant	76	146	32	6	260
	Private Sector	7	4	2	2	15
	Student	9	9	7	2	27
	Business	61	74	2	12	149
	Others	1	2	0	1	4
Total		154	235	43	23	455

Source: *Field Survey, 2014*

In terms of knowledge on Islamic banking by occupation amongst the respondents, civil servants (260) appeared to be more knowledgeable, and then followed by Respondents in Business (149) as indicated in Table 4.13. Though most of the respondents claim to have either good or excellent

knowledge on Islamic banking, further questions were therefore systematically asked in order to determine how deep and wide their knowledge was.

Table 4.14 Awareness on Profit and Loss Sharing

	Frequency	Percent	Cumulative Percent
Yes	240	51.7	51.7
No	146	31.5	83.2
Not sure	78	16.8	100.0
Total	464	100.0	

Source: *Field Survey, 2014*

For instance, Table 4.14 above shows that over half of the total respondents 51.7% (240) were aware of the basic principle of Islamic banking which is the profit and loss sharing system that is used as substitute for charging interest by conventional banks. This is the pillar of Islamic banking that differentiates it from conventional banks.

Table 4.15 Awareness of other modes of Islamic finance

	Frequency	Percent	Cumulative Percent
Yes	219	47.5	47.5
No	166	36.0	83.5
Not sure	76	16.5	100.0
Total	461	100.0	

Source: *Field Survey, 2014*

The results showed that only about 47.5% of the respondents were aware of other modes of Islamic finance a part from the PLS that are used as substitutes for interest in Islamic banks. This indicates that more than half of the respondents have limited knowledge of Islamic banking.

Table non-Muslim customers were not accepted by Islamic banks

Responses	Frequency	Percent	Cumulative Percent
Yes	129	28.5	28.5
No	231	51.0	79.5
Not sure	93	20.5	100.0
Total	453	100.0	

Source: *Field Survey, 2014*

The questions further revealed that almost half of the total respondents thought that non-Muslim customers were not accepted by Islamic banks (28.5%) whereas (20.5%) were not sure. This shows the level of knowledge gap or misconception of Islamic banking practice in the study area.

Table Islamic Banks are charity organizations making profits was not necessary

Responses	Frequency	Percent	Cumulative Percent
Yes	198	43.6	43.6
No	144	31.7	75.3
Not sure	112	24.7	100.0
Total	454	100.0	

Source: Field Survey, 2014

Again 43.6% of the respondents have the general misconception that Islamic banks were run like charity organizations making profits was not necessary

The next set of results aim to disaggregate awareness of the introduction of Islamic banking in Nigeria in terms of gender, age, education and occupation

Table 4.14 Awareness and Gender

Gender * Are you aware that Islamic banking has been introduced in Nigeria? Cross tabulation

		Are you aware that Islamic banking has been introduced in Nigeria?			Total
		Yes	No	Not sure	
Gender	Male	363	18	12	393
	Female	51	12	4	67
Total		414	30	16	460

Source: Field Survey, 2014

Assessing the respondents' awareness by gender, the result as shown in Table 4.14 favoured males (393) who appeared to have more awareness on Islamic banking than females.

Table 4.15 Awareness and Age

Age * Are you aware that Islamic banking has been introduced in Nigeria? Cross tabulation

Count		Are you aware that Islamic banking has been introduced in Nigeria?			Total
		Yes	No	Not sure	
Age	less than 30 years	172	16	5	193
	30 - 39 years	127	6	5	138
	40 - 49 years	86	6	4	96
	50 and above	26	2	2	30
Total		411	30	16	457

Source: Field Survey, 2014

Table 4.15 show that the younger respondents less than 30 (193) have greater awareness than the older ones. Those closely next to this group are 30 – 39 years (138). As further revealed by the result the oldest seemed to have the least awareness. This outcome suggests that age could be a factor that determines awareness amongst the respondents.

Table 4.16 Awareness and Education

Education * Are you aware that Islamic banking has been introduced in Nigeria? Cross tabulation

Count		Are you aware that Islamic banking has been introduced in Nigeria?			
		Yes	No	Not sure	Total
Education	Non Formal Education	4	4	2	10
	Primary	4	1	0	5
	Secondary	110	9	2	121
	Tertiary	295	15	12	322
Total		413	29	16	458

Source: *Field Survey, 2014*

The result from the survey suggests that level of education could have influence in determining awareness of Islamic banking in the study areas as those with the highest education tertiary (322) and secondary (121) have more awareness as shown in Table 4.

Table 1 Awareness and Occupation

Occupation * Are you aware that Islamic banking has been introduced in Nigeria? Cross tabulation

Count		Are you aware that Islamic banking has been introduced in Nigeria?			
		Yes	No	Not sure	Total
Occupation	Civil Servant	240	12	8	260
	Private Sector	11	2	3	16
	Student	20	2	0	22
	Business	134	10	4	148
	Others	0	4	0	4
Total		405	30	15	450

Source: *Field Survey, 2014*

Civil servants have more awareness amongst the respondents (260) then followed by respondent in Business (148). Here too we need further evidence to conclude if there is a relationship between awareness and occupation.

5.1 Conclusion and Recommendations

This study attempted to investigate the level of awareness and knowledge of Muslims on Islamic banking in Nigeria. The study employed an expository analyses and the data was generated using 478 structured questionnaires.

From the findings it could be concluded that most of the respondents in the study area were aware of the introduction of Islamic banking in Nigeria. It seemed that Islamic banking is quite popular amongst the young and educated. This finding is consistent with Fada and Bundi (2012).

Though interestingly most of them had good knowledge of Islamic banking, they however lack the correct knowledge of the practice of Islamic banking. More than half of the respondents (56.22%) misconstrued the

practice of Islamic banking by assuming non-Muslim customers were not accepted. The study further revealed the knowledge gap of the respondents, 187 (43.09%) thought that Islamic banks were like charity organizations making profit was not necessary for them.

For these reasons our recommendations will be in line with those of (Fada and Bundi, 2012; Ahmed et al, 2012). There is need for the stakeholders in Islamic banking in Nigeria particularly the Central Bank of Nigeria, Jaiz Bank Nigeria PLC and other Deposit Money Banks with Islamic product windows to widen and deepen effective marketing campaigns to enhance awareness towards Islamic products. This could be achieved through the mass media as well through sponsoring conferences and public lectures.

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