

ABSTRACT

Islamic banking which is based on Islamic law (sharia) provides banking services as a banking product in the country. Tanzania is one of the countries with citizens with different religious beliefs. Therefore the perception of people towards the Islamic banking product would obvious differ.

The curiosity lies mostly with the manner and modalities under which the Islamic banking operates.

This study was conducted to assess the awareness and perception of businessmen towards Islamic banking system in Tanzania, where by Amana bank was taken as a case study because this bank offers its services under the Islamic banking system.

The researcher encountered 100 respondents in the course of the study of whom 65% responded through the questionnaires provided to them. Interviews were also made with different staffs of the bank. Other means of collecting the data being through observation and from various documents. The finding of the data were presented, analyzed using a statistical package for social sciences (SPSS) and interpreted using statistical tools such as bar graphs, pie charts and histograms.

The study revealed that most of the Amana bank customers are Muslims and that there is lack of awareness of the Islamic banking system in the country. This lack of awareness is brought by lack of information, perception complexity and uncertainty of Islamic banking.

The researcher recommended Amana bank to expand market, establish strong awareness campaigns through advertising, offer more products and provide trainings to its personnel in an attempt to improve the performance of the bank.

