

**Penetration of Islamic Banking  
Into  
Conventional Banking  
(Challenges Faced)**

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## **Abstract**

The growing trend of Islamic finance has lot of implications on the modes of financing around the globe on the banking front. The annual growth trend of fifteen percent and its consistent inclination has made the practitioners to rethink about various aspects of Islamic banking which are becoming challenges.

Literature supports the growth trend in Islamic finance and the resulting penetration of the Islamic banking into the conventional banking systems along-with two basic categorization of challenges first on the operational front and second on the Shariah front.

This report aims to look into some of the challenges that have potential impact on the operational front; the practitioners have identified these challenges and are extensively working to make Islamic banking a more practical system in terms of operations, so it can stand and compete with conventional banking system.

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