

METHODS FOR LESSENING THE DANGER IN ISLAMIC BANK FINANCING AND IT'S EFFECT ON THE ACCOMPLISHMENT OF THE ISLAMIC FINANCIAL FINANCING ACTIVITIES (AL RAJHI BANK CASE)

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Abstract: Since Islamic Banking assumes a major function in the financial part and in addressing clients' needs, it was normal to encounter various sorts of danger. Upon that, this exploration is named "Methods for Reducing Risk in Islamic bank financing and its Impact on the accomplishment of the Islamic financial financing activities" by applying them on bank subsidizing in Al-Rajhi Bank in Makkah. K.S.A. from 2014-2016 the investigation came in two structures: The hypothetical system contained two sections. Every part contains numerous areas. the applied structure contained a survey, painstakingly created and submitted to referees upon the administrator's endorsement. This poll contained two tomahawks and it was sent to the investigation populace (the staff in Credit Department in Al-Rajhi Bank in Makkah. K.S.A.) utilizing the far-reaching stock technique. The graphic methodology was utilized in this investigation. Subsequent to gathering and deciphering information and data, the investigation has gone to the outcomes from them, It was insisted that the lawful and Islamic methods are fundamental achievement of the Islamic financial financing activities , reactions of the staff in credit offices in Al-Rajhi Bank in Makkah expressed that the segment factors, aside from the factor of sex, don't impact the accomplishment of the Islamic financial financing tasks. Furthermore, there were factually huge relationship between's administrative accomplishment of the Islamic financial financing activities. the investigation finished by certain proposals from them, powerful guidelines and enactments for Islamic banking expecting to lessen danger of Islamic financing and dodge negative impacts of certain enactments that need consistency and objectivity ought to be created in this field, serious instructional classes focusing on nonstop expert improvement for all the staff in Islamic banks and certification divisions in Al-Rajhi Islamic Banks ought to be created. Furthermore, Comprehensive and incorporated information bases permitting the certification divisions in Al-Rajhi Islamic Banks to get to the subtleties of the status of ordinary clients through the distinctive administrative and authority reports upon the client's endorsement ought to be built up.

Keywords: financial part, Islamic financial financing activities, Al-Rajhi Islamic Banks.

1. INTRODUCTION

World war II; that the world has seen on September first, 1939 A.D. in Europe and finished on September second, 1948 A.D.; has prompted numerous monetary changes all through the world; bringing about the development of another worldwide financial framework under the administration of extraordinary nations that have attempted to force their capacity through this framework.

Banking area was one of the most significant parts that have exposed to the guideline of the new worldwide framework where it has been directed by entrepreneur frameworks, which have clashed in huge numbers of its principles with the standards of Islamic exchanges inciting Islamic nations to set up Islamic banks.

The last quarter of the twentieth century has seen the development of Islamic banks, that have showed up for all intents and purposes to meet the prerequisites of wide scope of Muslims who had numerous issues in managing customary banks. So, demands and inquiries concerning the legitimacy of managing business banks that has been set up on the financing cost component as an instrument to cite the current and future estimation of cash have been raised. Making the rise of Islamic banks a portrayal of Islamic economy thinking basically. (Neama and Mohammed, 2010, p122)

Islamic bank is a money related organization that performs budgetary and banking works and benefits and pulls in financial assets to contribute them effectively guaranteeing their development and accomplishing max returns of them to accomplish the objectives of monetary and social advancement inside the Islamic law arrangements. (Ajlouni, 2008, p110)

Bases of Islamic bank are lay on Islamic law courses of action that allow even engage the hypothesis of monies through right real sharing where injustice, hurt, cheating, and deception not exist. Co-financing system is a positive strategy to discard what we call usurious trades. Co-financing, similarly, prompts the finish of negative lead related with financial development, where it drives us towards the mix of work and capital outfitting associates with sensible advantage. (Rifai, 2007, p123) Despite flourishing that Islamic banks have accomplished during the brief time frame in which they have worked since their foundation till now, yet they "experience numerous dangers because of performing loan and venture measures. Loaning measure is the fundamental action of the bank and its benefits, so the dangers of credit portfolios please head of dangers that banks experience". (Joseph, 2006, p12)

The dangers the board issue inside Islamic establishments has procured an expanding significance with respect to arrangements' creators and individuals who are keen on money related soundness, where Islamic financial work isn't liberated from hazards that challenge monetary organizations and principles making foundations.

The issue that faces Islamic banks may come due to data irregularity, when banks have deficient data about the genuine benefits of work offices, that have obtained their financing dependent on sharing or theory. For dangers of Murabaha contracts, exchange contracts, they may appear as the other party chances, since it is the recipient of the postponed financing in its exchange, because of general outer elements not explicit for it. (Khan, 2005 A.D., p64)

Numerous examinations, that have focused on Islamic banks, have indicated that it has confronted numerous dangers concerning banking fund measure. Of these investigations the investigation of Sami container Ibrahim Swelam (2007) indicating that financial account hazards speak to a test to Islamic financial industry, it still a current issue as per the admission of experts as it is absurd to expect to accomplish benefits without facing challenge, and there is an association between chances the executives and the creation of riches as in Islamic money.

Additionally, the consequences of Rifai study (2012) have demonstrated that speculation with Islamic banks face numerous dangers, including what are concerning financial specialist customers and venture abilities. These dangers vary incredibly from hazards that conventional financial organizations face. Because of the expansion of dangers level that Islamic banking budgetary foundations face, there are many negative outcomes and effects on the work process in Islamic venture.

What's more, the consequences of Nasser study (2005) have indicated that Islamic banks endure numerous issues concerning banking money, and there are a few nations that have been exposed to Islamic banking system but there are a few residuals of usurious managing with respect to its banks and under the oversight of national bank. Furthermore, most apparatuses applied to conventional financial control are conflicting with the Islamic banks work.

From the abovementioned, we can see the significance of Islamic banks, as a legitimate option of business banks. Additionally, we can see the job which the Islamic banks play in the nation's economy and the significance of the financing administrations it gives. Other than numerous dangers that face Islamic financial fund measures restricting the proficiency of this segment to make the normal progress confronting the solid rivalry with business banks upheld by monetary worldwide framework that urge their work to accomplish its objectives.

2. RESEARCH OBJECTIVE

This examination plans to accomplish the accompanying:

- 1) To analyze the connection between administrative strategies and achievement of the Islamic financial financing tasks.
- 2) To analyze the connection between authoritative strategies and accomplishment of the Islamic financial financing activities.
- 3) To look at the connection between specialized techniques and achievement of the Islamic financial financing activities.
- 4) To inspect the connection between budgetary strategies and accomplishment of the Islamic financial financing activities.
- 5) Are there measurably noteworthy contrasts among midpoints of the reactions of the representatives of Al Rajhi Bank's offices in Jeddah and Makkah with respect to their assessment of the strategies utilized for decrease of Islamic financial financing chances, which can be credited to the distinction of the factors of (work, scholastic capability, long periods of experience and instructional classes)?

3. RESEARCH QUESTIONS

Under this primary inquiry, there are a few sub-inquiries from which the examination began, including:

- 1) Does administrative techniques have a relationship with achievement of the Islamic financial financing activities
- 2) Does authoritative techniques have a relationship with accomplishment of the Islamic financial financing tasks
- 3) Does specialized strategies has a relationship with accomplishment of the Islamic financial financing activities
- 4) Does budgetary techniques have a relationship with accomplishment of the Islamic financial financing tasks
- 5) Stating if there are measurably noteworthy contrasts among midpoints of the reactions of the representatives of Al Rajhi Bank's offices in Jeddah and Makkah with respect to their assessment of the techniques utilized for decrease of Islamic financial financing chances, which can be credited to the distinction of the factors (work, scholastic capability, long periods of experience and instructional classes)

4. RESEARCH METHODOLOGY

The researcher uses a range of approaches in her study the most important:

- a) Descriptive Approach
- b) Survey Approach
- c) The Statistical Approach

(a) Descriptive Approach:

"It is based on the description of the characteristics of a certain phenomenon; gathering information about it; and classifying it into its category; and compiling, interpreting, and analyzing its material in order to infer conclusions." (Abd El-Hamid, 2011, 133). and then to circulate those results with intervening neither in them nor in the causes leading to them. this study is prepared as per the Arabic and foreign references of the relevant studies.

(b) The Survey Approach

"Descriptive-survey study is a type of researches in which all members of the research community or large sample of such community are questioned. A descriptive research describes and interprets the phenomenon being studied in addition to paying attention to identification of the circumstances and correlations between the phenomena. Furthermore, the descriptive research makes interpretation, comparison and analysis of such circumstances and correlations". (Abdul Hamid and Kazim 2009,134).

(C) The Statistical Approach:

This approach is used in order to analyze and compare data using statistical and scientific method known in the books of statistics.

5. DATA COLLECTION TOOLS

In order to reach the objectives of the study and to prove and verify the hypotheses, the researcher will use the following tools for data collection: -

Questionnaire: -

"It is a paper that contains a number of questions asked to a selected sample in order for them to answer such questions and then to analyze and interpret their answers;" (Kenneth Baladwin-2002-176)

Observation;

For the purposes of this study, the researcher will determine the aspects and targets that will be subject to notices whose results will be recorded.

Interview;

The researcher will meet the (administrative and employees) in Finance administration respondents to obtain new information determining the nature of the data and supported by questionnaires.

6. CONCEPTS AND TERMINOLOGY OF THE SEARCH

The Researcher will discuss a number of concepts and terminology associated with his research, namely: -

Instruments: Lexically, it is the plural of instrument which means what is used in order to reach or approach a certain objective; Terminologically, "it means the ways leading to the pros and cons;" (Al-Bayan Magazine-2011-238)

Risks: Lexically, "it is derived from the verb (to risk) and semantically it means perils or nuisances"; (Al-Mujam Al-Wagiz- Firuzabadi-part3-469) Terminologically, "it means likelihood of exposure of banks to unexpected and unplanned losses." (The International Body for the risk-2002-3)

Islamic Finance: Lexically, it means spending money, i.e. funding some person means providing her/him with money;

Terminologically, "it involves the cost and source of funds and how they are used and the method of spending them." (Kurdi-2011-75)

Bank: Lexically, "it means the place where monetary transactions take place, either through taking, withdrawal, deposit or through any other means of transaction applied in the banks." (Al-Razi-2002-361)

Terminologically, "it refers to any business store dealing in precious metals, cash and securities which bear rights to cash and acts as a mediator between the owners of capitals and those in need of money." (Al-Hafi-2010-136)

7. STUDY BACKGROUND:

The significance of banks expands step by step since its rise in our Islamic world. That is on the grounds that banks have become now one of the necessities for the monetary improvement of nations. The more its monetary abilities and exercises increment, the more it considers decidedly securities exchanges inside the nation, uniquely money and credit market.

As of late, Islamic banking and budgetary work has improved physically, and resembled another style that accomplish the objectives of money related middle person and set apart by dealing with UN usurious premise. Numerous Islamic budgetary banks and foundations have been set up in various social and financial conditions, a few banks taking a shot at banking premiums premise have begun to contend the new Islamic banks style, particularly in giving money utilizing the Islamic financial work styles and the new Islamic financial work has constrained its well on the nearby and worldwide financial work markets. (Qandooz, 2008, p93)

Islamic banks, as characterized by the global league of Islamic bank, are "these banks or establishments that its consolidation law and fundamental framework specifies unmistakably on the consistence with Sharia standards and not managing premium. (Ajlouni, 2008, p110)

Islamic banks have contributed straightforwardly to the revive of Arabic and Global economy. It, as certain business analysts affirm, a genuine venture organization, not budgetary speculation, so its cycles speak to entering speculation ventures as per the advancement needs of the nation in which the Islamic bank exist. As needs be, the Islamic bank is the

fundamental drive of economy, since it doesn't loan stores that have been gathered by it, however, use it in possessed improvement ventures, or to back activities". (Abu Abdullah, 2005, p119)

Development pace of Islamic financial segment has seen a consistently expanding to reach on 2004 A.D. to 15% yearly". (Beltagi, 2006, p12)

In 2011.A.D. alone, the business size has developed by 24.4% to be 1,084 Trillion dollars, and the volume of giving instruments has developed all around the world by over 60% to be 84.5 billion dollars. This has spoken to an urging and activating element to a considerable lot of Islamic monetary organizations.

Alawnah (2009, p72) proposes that venture and fund movement in Islamic banks lays on the guideline of sharing benefits and misfortunes, so sharing dangers. Amawi (2005, p12) makes reference to that the unmistakable characteristics of the dangers nature in Islamic banks show up in the idea of connection between the contributors of cash proprietors on one section and the Islamic bank on the other part. This relationship lays on sharing benefits and misfortunes dependent on the standard of misfortunes equivalent increases, misfortunes and additions are circulated on the speculation cycle parties, not on one gathering like usury and bet. Notwithstanding away from of Islamic banking, as of late, it experiences the ill effects of Islamic money hazards showing up in terrible showing other than numerous practices that expansion these dangers. Numerous examinations; including consequences of the investigation of Beltagi (2006),

Abu Muhaimed (2008), Othman (2009), Altom (2012), and Rafiq (2015); have demonstrated that there are some Islamic banks endure the lackluster showing and this has gotten clear through the decrease in its speculations. Additionally, the vast majority of these banks give only transient account and lay uniquely on Murabaha in banking fund measures. In addition, there is no mindful that dangers keep an eye on the application and practices not simply the structures, as there is a shortcoming in human, guideline, material, and specialized capacities inside Islamic banks. Hence, the examination talks about "the dangers of Islamic financial fund", for example the arrangement of negative effects that money the executives of Islamic banks faces as a result of account measures with wayward return.

Likewise, the current investigation examines the ways for diminishing the dangers of Islamic financial account, for example the arrangement of ways the empower Islamic fund the board to restrict the negative effects of monetary and non-money related dangers of account measures.

"Al rajhi bank, Jeddah, KSA" has been picked as a general public considering its significance in Islamic financial fund measures inside the realm, and considering the KSA driving part in Islamic banks industry; showing up in the establishment of Islamic bank of advancement in Jeddah on 1975. it is a worldwide bank where most Islamic nations, individuals from association of Islamic meeting, partake. The bank has been opened on 1976 A.D. so as to help the financial and social advancement of the part nations and Islamic people group inside nonmember nations, together and separately, as per the standards and arrangements of Islamic Sharia. (Rahma, 2011, p83) Al Rajhi Bank was picked to actualize the current examination since it is an ideal model for Islamic banks. It likewise has a solid situation in Saudi Banking. The examination was applied to the Bank's offices in Jeddah and Makkah, Kingdom of Saudi Arabia and it is numbering 60 branches. The authoritative methods and financing strategy of the parts of the bank and the arrangement of the framework in all branches, making the workplace in those branches homogeneous and the use of the examination is impartial. The investigation separated the Islamic bank financing chances are as per the following: Non-money related dangers including:

- 1) Traders or financial specialists clients related dangers, spoken to in:
- 2) Non-responsibility of clients to trustworthiness and genuineness.
- 3) Non-consistence of clients with the dates expressed.
- 4) Lack of respectability of the speculators' money related position
- 5) Prevailing laws and guidelines related dangers:
- 6) Lack of the enactments fitting for the idea of the Islamic money related agreements.
- 7) Lack of the standard types of Islamic budgetary agreements including Islamic financing structures.
- 8) non-improved application in the financial framework as to laws, guidelines
- 9) Sharia control-related dangers, spoken to in:

10) Formalism of Sharia control.

11) Unfamiliarity of the control bodies with banking exchange subtleties

12) Inconformity of different Fatawa (legitimate suppositions) with various strategies of banks.

1.2.1 Money related dangers including, spoke to in

a- Credit hazards:

- 1) Failure of a client to completely meet its legally binding commitments.
- 2) Inaccuracy of information and data identified with the genuine benefits accomplished by clients.
- 3) Lack of control and direction as the clients disseminate their business exercises to diminish hazards.
- 4) lack of following-up financing, recording abundances and tending to them.

b- Credit market hazards, spoken to in:

- 1) Multiplicity of full scale and miniature financial factors in a state.
- 2) Change in the degrees of financing costs, trade rates or ware costs.

c- Liquidity and operational dangers, spoken to in:

- 1) Occurrence of specialized blunders in financing exchanges (human and specialized mistakes)
- 2) Unavailability of the liquidity adequate for meeting the operational necessities of Islamic banks.
- 3) Non-consistence with the strategies and guidelines of allowing subsidizing with respect to those working in the banking.

The study also identified ways to reduce the risk of Islamic bank financing and access in:

1- Legislative Methods

- a) Enacting legislative laws aiming at identifying the risks faced by the Islamic banking activity, criminalizing those who cause these risks to arise and developing deterrent penalties to reduce such risks.
- b) Developing regulations to state the relationship of banks with control bodies, other banks and customers, and to determine the forms and mechanisms of this relationship.
- c) Making laws for Sharia control and determine its mechanism as well as unification of the authorities in charge of issuance of Fatwa in connection with transactions.

2- Organizational Methods:

- a) Developing internal systems to choose the risks that a bank is able to expose to, that can be covered by the capital.
- b) Stating systems to continuously measure the risks and to identify their source and the extent of their increase or decrease.
- c) Establishing a control system based on transparency to identify the extent of commitment of financing management as well as the customers to Islamic banking transactions.

3- Technical Methods:

- a) Providing the manpower qualified and trained on financing transactions and its requirements of regulatory and supervisory activities.
- b) Establishing accurate measurements enabling the banking financing management to measure the riskiness of various financing transactions.
- c) Providing modern training programs to be based on the real requirements and work reality in the banking financing management.
- d) Providing sources of the data necessary for taking the suitable financing decision.

4- Financial Methods:

- a) Providing a budget for periodic training and rehabilitation sufficient for the staff of banking financing management.
- b) Providing a strong information network allowing quick disclosure of the customers' transactions in the banking sector as well as the financial position of the companies through the financial authorities such as Department of Zakat and Income.
- c) Providing modern technical devices and equipment that enable the staff to complete the transactions accurately and quickly with sufficient information for decision making.

8. THE STUDY SAMPLE

Since the selection of a sample from the community, subject of the study, is more common in scientific researches because of its easy application and low cost. so The Community and the study sample in Administrations finance employees in AlRajhi Bank branch in the cities of Makkah and Jeddah KSA, given the few in number And the ability of the researcher Surround them so the study sample Include all the employees in Administrations.

9. RESULTS AND RECOMMENDATIONS

Introduction

The risks management issue within Islamic institutions has acquired an increasing importance as for policies' makers and people who are interested in financial stability, where Islamic banking work is not free of risks that challenge financial institutions and standards making institutions the most important its financing risks.

Accordingly, a new idea should be created to begin a new start using the right scientific approach to get the results that are serving this vital social field. That is why the researcher has chosen this study.

The researcher has dedicated herself for nearly two years to look attentively upon the Islamic banks by reading the previous studies and researches. After she knows - by using the research and analysis methods - the special nature of the Islamic banking, the sources and types of danger, and the means to reduce this danger,

The researcher uses the Applied Approach in her study to get preliminary data and to practically identify the experts' and practitioners' perspectives towards the Islamic banks depending on the research approach. To achieve this, the researcher draws up a questionnaire showing the validity of the hypotheses through the analysis of participants' views.

After this scientific study with its theoretical and practical parts and despite of the difficulties faced by the researcher, which are represented in the long distance from the field centers of the study (the branches of Al Rajhi bank), and by reference to the research's problem that is represented in the means of reducing the financing risks for Islamic banks from legislative, regulatory, technical and material views and the importance of those means in reducing the financing risks, the researcher has reached the following results:

First: Results:

By reviewing the results of the statistical question's answer: "What are the means to reduce the Islamic banks financing risks?"

It is shown that the means of reducing the financing risks in Islamic banks were great; in addition, it is noticed that there is a contrast in the results clarifying the role that the means of reducing the financing risks in Islamic banks play. Impact on the success of the Islamic banking financing operations "The legitimate means" come in the top with a high number of supporters, and then "the material means" rank the second place with a high number of supporters, after that "regulatory means" with a high number of supporters. Eventually, the "technical means" have a high number of supporters.

It has been shown how the role of the legitimate means in the success of the Islamic banking financing operations is approved by a great number of people. One of the phrases that gets a great approval and ranks the first place is that "Only one Fatwa authority should be determined for the financing banking business". It is followed by "Penal sanctions should be known for customer who commits violations against the banks". While a phrase states "a specified frame should be put in the banks for drafted financing contracts" comes in the tenth and final place.

Moreover, we realize that the regulatory means play a great part in the success of the Islamic banking financing operations in which this element gets a high number of approvals. A phrase reads "the supervisory role supports the financing administration in banks" comes in the first place followed by a statement stating, "it puts a supervisory system to know how loyal the customers are". While in the tenth and final place, a phrase states "the financing administration shall be subject to the highest authority in the bank".

We notice that the technical means in the success of the Islamic banking financing operations have obtained a high number of approvals in which a phrase states "the employee shall be supported with the necessary technical information to be taken into account in contracts" comes in the first place. In the second place, a phrase states "it helps to make a financial decision in accordance with accurate data". While in the tenth and final place, it comes "it helps to develop professional development programs for employees who work in the financing administration".

The material means have shown the role they play in the success of the Islamic banking financing operations in which they have obtained a high number of agreements. The phrase that comes in the first place is "It enables customers to repay in anytime during the day" followed by the statement "It saves time and effort, which results in getting the job done". While in the tenth and final place, a phrase reads "It provides customers with accurate information in the banking sector".

By reviewing the results of the descriptive question: Are there differences based on statistics showing the average of responses of Al Rajhi bank's employees in Jeddah and Makkah about their views regarding the means that help to reduce the financing risks in Islamic banks due to different variables (gender - scientific major - educational level – job - years of experience - training courses)?

We find statistical significance set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks due to different variables of gender.

No differences based on statistical significance are found to set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks in all means (legislative – organizational – technical - financial) due to the difference of the educational level variable.

No differences based on statistical significance are found to set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks in all means (legislative – organizational – technical - financial) due to the difference of the scientific major variable.

No differences based on statistical significance are found to set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks in all means (legislative – organizational – technical - financial) due to the difference of the job variable.

No differences based on statistical significance are found to set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks in all means (legislative – organizational – technical - financial) due to the difference of the years of experience variable.

No differences based on statistical significance are found to set at (0.05) of the estimate average among the employees of Al Rajhi bank in Jeddah and Makkah for means to reduce the financing risks in Islamic banks in all means (legislative – organizational – technical - financial) due to the difference of training courses variable.

By reviewing Hypotheses results we find the following:

The validity of the hypothesis of the first study that states (there is a relationship based on a statistical significance between the legislative means and the success of the Islamic banking financing operations).

The validity of the hypothesis of the second study that states (there is a relationship based on a statistical significance between the organizational means and the success of the Islamic banking financing operations).

The validity of the hypothesis of the third study that states (there is a relationship based on a statistical significance between the technical means and the success of the Islamic banking financing operations).

The validity of the hypothesis of the fourth study that states (there is a relationship based on a statistical significance between the financial means and the success of the Islamic banking financing operations).

Theoretical Implications

This study shows that Islamic banks play an important role in the banking sector and meet the customers' need, so it is normal to face miscellaneous and several risks, the most important of which is financing risks; good followers of Islamic banking and financial studies note this deficiency in applying funding operations

This study provided an integrated model one of the means of reducing the risk of financing to be applied by administrators and employees of branches Al Rajhi Bank for increasing the rate of success of the Islamic banking financing operations

Managerial Implications

The research offers important insights for banks in KSA, represent in the importance of the role of Sharia supervision in ensuring the proper application of the Islamic rules agreed in the financing and contracting.

-Increasing the awareness and understanding of accounting and banking of Islamic banks based on the jurisprudence of Islamic transactions and sound banking and accounting controls.

The importance of the success of Islamic banking operations in Al Rajhi Bank branches in Saudi Arabia.

Second: Recommendations.

The researcher has reached a number of recommendations which are as follows:

Enacting appropriate legislations that can be applied in reality on the finance operations in Islamic banks aiming to the success of the Islamic banking financing operations and the negative effects of some legislations that are inaccurate and not objective in such field.

Putting a specific frame for the drafted contracts related to finance at Al Rajhi bank with taking into consideration the Islamic patterns along with the bank and customer's interests. Such frame aims to reduce the financing risks in Islamic banks. And its impact the success of the Islamic banking financing operations

Establishing administrative and regulatory policies to determine the power of the financing administration at Al-Rajhi bank and to enhance credibility in their transactions. Submitting those policies to the highest administrative authority at the bank ensures its independence from the other's bank departments in making decisions.

Making intensive and on-going training courses that aim to the professional development for all employees in the finance administration in the Islamic departments at Al Rajhi bank.

Setting up an integrated information network which allows the banking finance administration at Al- Rajhi bank to have access to the financial and systematic positions through the reports issued from the various governmental authorities. The procedures should be taken according to the client's approval.

Providing a mechanism to overcome the practical difficulties that the banking finance administrations face in the women's branches, including the accessibility to customers and following up their projects' positions.

Providing the material components from the program and other modern material equipment that help employees in the finance administration at Al Rajhi bank to make decisions and to perform their duties with ease.

Paying attention towards the technical development field and updating the banking system at Al Rahji bank to come up with the on-going development.

Creating a research cells inside Al Rajhi bank, which focus on researches and studies and on making an integrated model for an Islamic banking system that combines the economic efficiency, legitimate credibility, and complete trust.

Third: Study Proposals:

As where the researcher has looked attentively upon several previous studies' results in her field of study; in addition to being her study's results and recommendations as an expansion for such studies as following:

- 1) The impact of the drafted finance contracts in reducing the financing risks in Islamic banks.
- 2) The political and regulatory roles in raising the efficiency of the finance administration in Islamic banks.
- 3) The training needs to boost the employees' performance up in the finance administration in Islamic banks.

- 4) The contribution of the technical development in the Islamic banking system to meet the service quality.
- 5) The Total Quality and its impact on workers in the financial management of Islamic banks.
- 6) The impact of the on-going improvement for the financial operations on the banking performance.

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