



*The importance and impact of opening Islamic windows in
localizing Islamic banking (international experiences)*

Tahri Khaled * ⁽¹⁾

k.tahri@cu-elbayadh.dz

Nour Bachir University Center, (Algeria)

Innovation Management and Marketing

Laboratory (Bel Abbas University)

Boussalem Aboubaker ⁽²⁾

Bakeur87@yahoo.fr

Nour Bachir University Center, (Algeria)

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Abstract

The study aims to identify the nature of Islamic windows, their origin and the role they play in traditional banks in the localization of Islamic banking activities, and to identify available banking transactions away from usurious transactions, and the extent of the latter's contribution to paralyzing and obstructing the economies of many countries.

In this study, we have adopted the analytical and descriptive approach, so that we do an analytical study of some experiences and practices of some Islamic countries in

* Corresponding author:

the field of Islamic banking and the extent of its effectiveness for them and its impact on the economies of their countries.

So that we expect that the results of applying Islamic banking on traditional banks will be positive, and that Islamic windows will have an effective role in localizing Islamic banking activity in traditional banks, especially with the great tendencies and demand towards these usury-free products

Keywords: Islamic windows. banking activity. Islamic banking. traditional banking. financing and investment formulas.

Jel Classification Codes: G20. G21

1. INTRODUCTION

The Islamic financial banking sector is considered one of the fastest growing and widespread sectors in Islamic, Arab and even Western countries, through the increasing demand and demand of individuals and institutions of these societies for financial products and services that comply with the provisions of Islamic Sharia, which made it achieve great successes, especially after the global financial crisis (2008), it has attracted many savings from economic operators and carried out many investment operations through various Islamic financing formulas, which contributed to attracting conventional banks and engaging in this field. And access to the world of Islamic banking, through the adoption of a set of mechanisms; through the total transformation of work according to the Islamic banking system, as happened in many conventional banks in the Arabian Gulf, or by taking some of its forms through the establishment of branches and banking windows - windows - that provide financing services and products in accordance with the provisions of Islamic Sharia.

In the context of keeping pace with this development and the great global spread of Islamic banking activity, the Algerian government has taken the initiative to encourage this vital sector in order to stimulate the national economy, and as a preliminary step by opening Islamic banking windows in conventional banks, through the regulation approved by the Bank of Algeria (20-02) defining banking operations related to Islamic banking and the rules of its practice;

On this basis, the following problem can be raised:

- To what extent can Islamic windows in conventional banks contribute to the localization of Islamic banking activity?

and the following sub-questions:

- What are the origins of Islamic banking and what are its foundations and status in the world?
- Can the windows or what is known as Islamic banking windows through the products they offer to establish an Islamic financial system within a conventional banking environment?
- What are the motives and reasons that led the state to adopt Islamic windows in conventional banks?

To answer the main problem and sub-questions, we decided to develop the following hypotheses:

- **The first hypothesis:** Islamic windows in conventional banks contribute to the localization of Islamic banking activity
- **The second hypothesis:** Islamic windows constitute the first building block and strategic entrance to the transformation of the financial banking system towards Islamic banking.
- **The third hypothesis:** Islamic windows contribute to the revitalization and development of the banking system in Algeria through competition with conventional banking.
- **Study (Al-Martani, Dr. Saeed bin Saad, May 1999) entitled: "Evaluation of Applied Institutions of Islamic Economy: Islamic Windows for Conventional Banks"**

The study considered that the experience of Islamic windows at the level of conventional banks is a successful experience, and this is due to the positive results achieved, which led to the growth of Islamic banking at an annual rate of 15% annually and is constantly rising across the world.

In this regard, the study referred to the unique experience of the Saudi Commercial Bank after adopting the strategy of gradual transformation towards Islamic banking, considering it an example to be followed in the orientation of conventional banks towards opening branches of Islamic windows, which differ from the philosophy of the work of branches and Islamic windows in other conventional banks, and this in terms of targeting to a greater degree the retail sector, unlike other conventional banks that have paid more attention to the corporate sector, in an effort to expand the Islamic banking business. And its development, which made this experience the focus of attention and attention of those concerned in this regard, including bankers, customers and specialists, to track its achievements as a distinguished banking experience that requires study and adherence.

The study concluded with a set of results, the most important of which is the need to recognize the need to open Islamic windows inside conventional banks because this is in the interest of Islamic banking and its customers who prefer this type of transactions, the study does not see that there is any confusion in the practice of banking within conventional banks as long as there is Sharia discipline.

▪ **Study (Rostom, 2014) entitled: "Evaluation of the entrances to the transformation of conventional banks to Islamic banks: a proposed model for application to Syrian banks"**

The study dealt with the subject of evaluating the entrances followed in the transformation of conventional banks towards Islamic banking with the proposal of an applied model for transformation that suits the nature of the work of conventional banks in Syria, by evaluating the performance of conventional banks that have undergone the experience of transformation before and after the transition to Islamic banking in order to compare the impact of the transformation on the performance of conventional banks, and then the study compared the performance of the banks under study after the transition to Islamic banking in order to identify the best entrance For transformation, I also proposed a model of total transformation that fits the nature of Syrian conventional banks.

The study reached many results, the most important of which is that the total transformation led to a fundamental improvement in all indicators of the study: liquidity, profitability, and activity of the bank under study. It also concluded that the total transformation approach is the best approach in terms of the efficiency of operational operations.

This study aims to involve traditional banks in Islamic banking transactions as an introduction to the total transformation towards Islamic banking, by opening windows for Islamic finance in order to reach the mobilization of resources and savings that lie outside the Algerian traditional banking system and to increase its efficiency by relying on the descriptive analysis and economic analysis approach. Theoretical to address different aspects of research;

▪ **A study (Sufyan, Qamoumiyya, 2019) entitled: "Islamic windows in traditional banks as an entry point for the transition to Islamic banking - presenting international experiences,"**

It is a thesis submitted to obtain a doctorate degree in economic sciences, specializing in economic analysis at the University of Algiers, 03, 2019, where the researcher shed light on The process of transforming traditional banks into Islamic

banking by identifying its concept, importance, types and most important entrances, focusing on the partial transformation approach through traditional banks opening Islamic windows in their original headquarters or traditional branches as an entrance to the transition to Islamic banking, while presenting international experiences, as well as It aimed to explore the possibility of Algerian traditional banks converting to Islamic banking by opening Islamic windows, relying on the descriptive approach to address the theoretical aspect and the analytical approach to address the applied aspect. The study concluded the importance of the Islamic windows approach in the transition to Islamic banking as an entry point for gradually applying Sharia in financial transactions in traditional banks. The study concluded that the conversion requires two main requirements: preparing a solid plan for the conversion accompanied by a timetable on the one hand, and the presence of a Sharia and internal oversight body on the other hand, and this Until the operation succeeds. As for the case study of Algeria:

The same study concluded that there is a possibility of transforming Algerian traditional banks by opening Islamic windows by applying it to the case of the Algerian Savings and Reserve Bank, with the necessity of enacting laws and applications that allow and regulate banking work in Algeria.

In most previous studies, researchers were content to study the phenomenon of transformation theoretically, as they focused only on investigating the causes of transformation, its requirements, and the obstacles it faces.

Conducting an analytical study of some of the experiences and practices of some Islamic countries in the field of Islamic banking and the extent of its effectiveness for them and its impact on the economies of their countries, with reference to the case of our country, Algeria.

- **Methodology and limitations of the study:**

In this study, we will adopt the descriptive approach and the analytical approach, by describing the theoretical aspect of the subject, including concepts and definitions, as well as analyzing the data related to it, so that we conduct an analytical study of some experiences and practices in a group of Islamic countries in the field of Islamic windows, the most important results they achieved, and their impact. On the economies of these countries, with reference to the case of Algeria.

- **The importance of studying:**

The importance of this study is evident in the following points:

The importance of adopting Islamic banking in the banking system, which plays an important role in providing appropriate financial resources to finance the economy, and which cannot perform the role assigned to it unless the appropriate environment is provided for it.

Religious motive: The adoption of Islamic banking in banks comes in response to the desires of a large segment of citizens who wish to invest their money in accordance with the provisions of Islamic Sharia and thus enhance financial tools to suit their convictions.

- Identifying the basic concepts of Islamic banking
- Identifying the basic concepts of Islamic windows
- Trying to identify the necessary requirements for activating Islamic banking in Algeria and proposing a model for that
- A presentation of the most important challenges and obstacles facing the success of the Islamic Windows process in Algeria

- Objectives of the study:

The study aims to identify the nature of Islamic windows, their origin, importance, and the role they play in traditional banks in localizing Islamic banking activities, and to determine what rules are applied in traditional banks with regard to Islamic windows and banking transactions available apart from usurious transactions, and the extent to which the latter contributes to paralyzing and hindering the economies of many countries and the importance of Islamic banking in raising and prospering the economies of countries.

In addition to clarifying the principle of dealing with usury and the economic problems that result from it, while presenting an alternative to traditional banking represented by Islamic banking.

Explaining the concept of Islamic banking and its foundations, as well as the methods or mechanisms of Islamic banking financing.

Trying to analyze pioneering Arab Islamic experiences at the national or global level in the field of opening Islamic windows or establishing Islamic branches.

Identifying the reality of Islamic banking locally and globally.

An attempt to highlight the most important challenges facing Islamic banking in Algeria and the requirements for its success.

Learn how traditional banks provide Islamic banking services.

Identifying the obstacles that prevent the application of Islamic banking transactions in traditional banks.

Identifying the obstacles that prevent the application of Islamic banking transactions in traditional banks.

Identifying the possibility of public banks converting to Islamic banking by opening Islamic windows.

2. The nature of Islamic banks and Islamic windows

1.2. The nature of Islamic banks

Before we discuss the concept of Islamic banks, we will see what is meant by banks in general.

- Definition of bank:

It is stated in the Middle Dictionary: A money changer is one who exchanges cash for cash, and money changing is the profession of a money changer, and the bank is the place of exchange, and thus the bank is called a bank. (Arabic Language Academy, 2004)

The word bank and the word bank in the Arabic language are identical terms, but the word bank is more comprehensive and general than the word bank, based on the multiple tasks and functions assigned to banks in the modern era.

It is the place where the supply of money meets the demand for it, and on this basis the bank operates by providing banking activities.

We can define the bank through the tasks assigned to it, given that the concept of a thing is related to its characteristics and functions. The bank is an institution that works in trading in money by receiving deposits from depositors and granting loans to borrowers, in addition to currency exchange and other activities to enhance its competitiveness in the market.

- Introduction to Islamic banks:

Regarding the definition of an Islamic bank, there is no unified and precise definition, and the following are some definitions:

An Islamic bank is “a financial institution that accumulates savings and moves them into participating channels for investment

In a manner freed from the interest rate through methods of speculation, participation, trading, direct investment, and the provision of all banking services within a framework of legal formulas that guarantee development and stability (Qadri Muhammad Al-Tahir and others, 2014, p. 17)

Islamic bank: It is an Islamic financial institution that performs banking and financial services and also carries out business

Financing and investment in various fields in light of the rules and provisions of Islamic Sharia with the aim of contributing to instilling Islamic values, ideals and morals in the field of transactions and helping to achieve social and economic development by operating funds with the intention of contributing to achieving a good and decent life for the Islamic nation” (Al-Rifai, 2004, p. 13)

The Islamic bank is a financial intermediary institution that works to mobilize and mobilize savings, pump them back and employ them in the economy in a way that serves economic and social development, and combines financing and investment activities in its activity.

and banking services, all in ways and methods compatible with the controls and provisions of Islamic Sharia.” (Al-Hashemi, 2010, p. 19)

From these definitions, we conclude that the Islamic bank is a financial institution that does not deal in usury, give or take, and deals with Sharia controls and aims to achieve a general benefit for the individual and society, not the private benefit of profitability.

No matter how different the definitions of the Islamic bank are, they all agree on the following elements:

- Mobilizing financial resources using methods and tools consistent with the provisions of Islamic Sharia
- Employing the accumulated savings in various short- and long-term investments in accordance with the provisions of Sharia.
- Focusing on both the economic and social dimensions of the development process through the use of pooled resource
- The necessity of having an institutional framework regulating these activities, whether it is a bank or an Islamic financing institution.

- The nature of Islamic banking

Islamic banking is one of the approved forms of banking in the first place that complies in its rules with the teachings of Islamic Sharia with regard to financial transactions. For example, in Islamic banking, it is not permissible for buying and selling operations to be carried out by adopting a usurious interest rate between the followers. Rather, an alternative to that pattern is what is known as the interest rate. Profit margin. Islamic banking regulates the investment process in accordance with the provisions and principles of Islamic Sharia.

Islamic banking is all banking activities carried out by an Islamic financial institution, in which it is committed to applying the rules and provisions of Islamic Sharia, and in which it stays away from all that the Sharia has forbidden, such as usury, deception, and dealing in forbidden things.

- The emergence of Islamic banking:

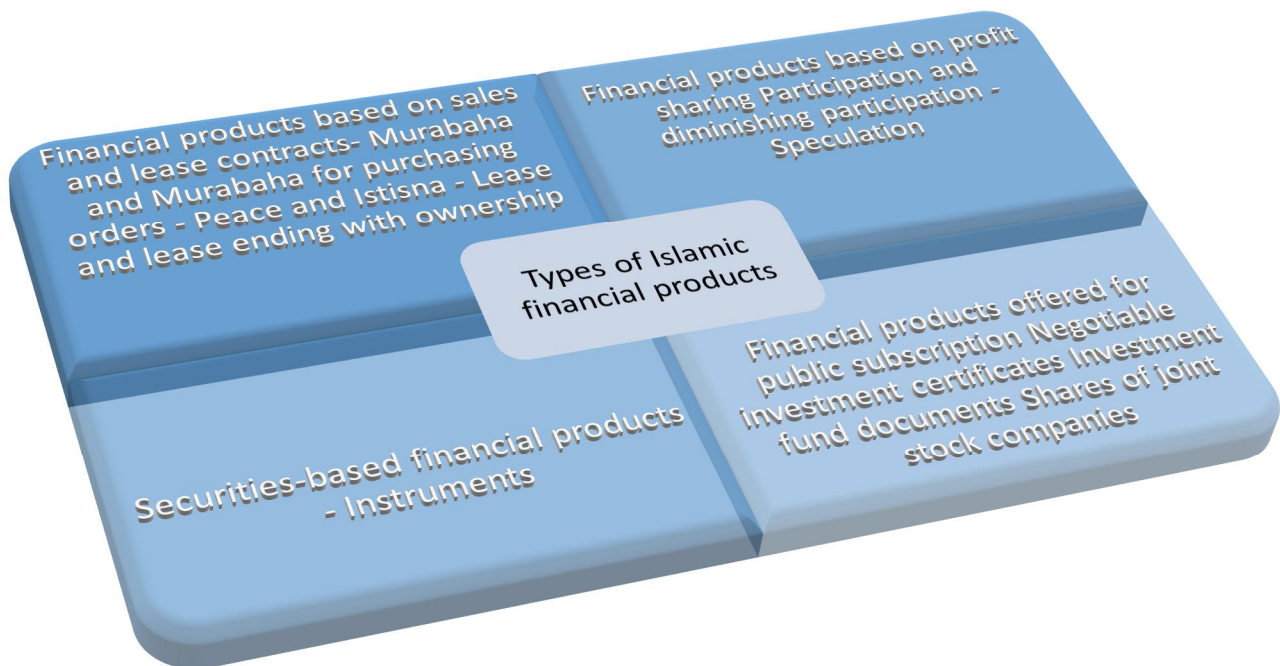
In fact, the beginning of Islamic banking operations in their comprehensive sense goes back to the era of the Prophet Muhammad, may God bless him and grant him peace, the first days of the Islamic legislation he brought and the establishment of the Islamic state. If we look at our Islamic history, we find in it a number of applications for some models related to Islamic banking operations.

It is not a modern phenomenon as many believe, especially in the Western world, but rather a belief system and a system of life that has its roots in history and souls alike. (Al-Martani S., 2005, p. 18)

Several financial formulas and tools appeared with the advent of Sharia rulings, especially in the field of financial transactions at the beginning of Islam, such as deposits, transfers, exchange, speculation, Murabaha, and others.

Among the types of investment that existed in pre-Islamic times and even after the emergence of Islam were the forms of speculation and lending on interest. Our Islamic religion preserved and approved the form of speculation and forbade dealing with usury due to the great evils that it entailed that harm the individual and society.

Figure No. (01): Types of Islamic financial products



Source: Prepared by the student based on Osama Al-Ansari, 2011, p. 18

- Characteristics of Islamic banking:

These characteristics can be summarized in the following figure:

Figure No. (02): Characteristics of Islamic banking



Source: Prepared by the student based on Falih Hassan Khalaf, 2006, pp. 93-96.

- Objectives of Islamic windows:

The most important objectives for establishing these branches and windows, as stated by many researchers, can be summarized in the following figure:

Figure No. (03): Objectives of Islamic windows



Source: Prepared by the student based on Uqba Khudair, 2011, p. 23

3. Study some experiences of some countries

1.3. The position of Islamic banking in the world:

- Growth and development of the size of Islamic banking in the world

The Islamic banking market worldwide has witnessed great growth and tremendous development, and this happens every year, and every year is better than the previous one, starting from the middle of the seventies until our present date, regardless of the tool and standard by which this development is estimated and measured.

Given the difficulty of separating the Islamic banking work that arose from the Islamic windows and branches of traditional banks and that which arose from purely Islamic banks, we will present here the development of the Islamic banking industry for Islamic banks and financial institutions only, relying in this on the data compiled by the International Federation of Islamic Banks to In 1997 AD, the collection of this data stopped since that date and this union was dissolved and the “General Council of

Islamic Banks and Financial Institutions” was established in its place in 2001 AD, headquartered in the Kingdom of Bahrain, and it is the council whose bodies are currently working on re-compiling this data again. (Al-Martani D., May 1989, p. 17).

In order for us to be able to see the position of Islamic banking in the world and examine its market and the growth and development it has achieved over the years, we will look at the growth and development of the size of Islamic banking through the growth and development of the size of Islamic banks, as well as their capital, assets, profits and returns. We will also explain the development of Islamic windows and their growth in traditional banks.

Below we will present a table through which we see the development of the size of Islamic banks across the world for a significant period of years, which extends from 1975 to 2015:

Table No. (1): Development and growth of the number of Islamic banks in the world

Years	Number of Islamic banks in the world
1975	2
1985	50
2000	210
2003	267
2005	300
2006	396
2013	955
2014	1113
2015	1143

Source: Prepared by the researcher based on the Union of Arab Banks website

Analysis:

We see from the table a qualitative leap in the growth of banks. In the year 1975, there were two banks, and the number jumped to 50 banks in the year 1985, that is, within 10 years. Then, the number doubled more than 4 times, and in the year 2000 there were about 210 Islamic banks in the world, reaching in the year 2005 to 300 banks, and during the year 2013 it jumps to 955 banks, then 113 banks, then there will be 1143 banks by the year 2014.

This indicates the growth and development of the size of Islamic banks across the world, and this indicates their effectiveness and settlement in the financial banking market and their occupying a good position. It also indicates the quality of their products and services that they provide and their occupying a position with customers and economic clients.

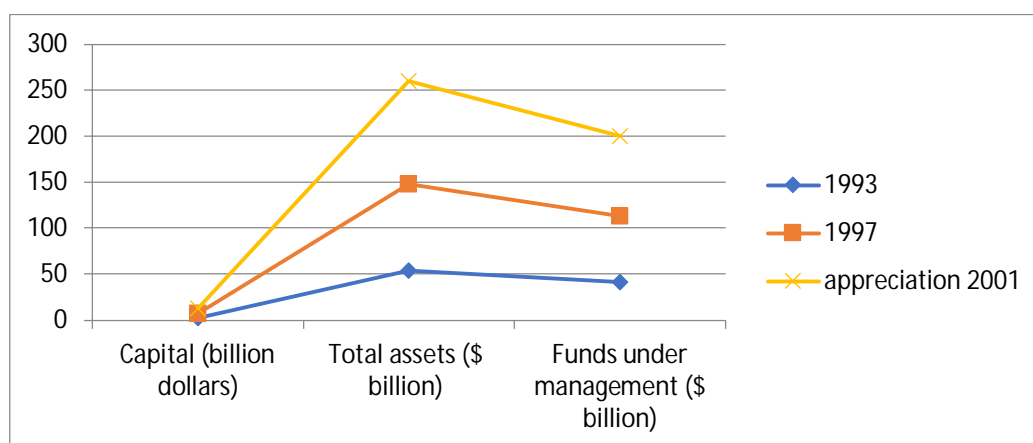
The following table briefly indicates this development in one leap from 1993 AD to 1997 AD, accompanied by an estimate of what the situation reached in 2001 AD.

Table No. (2): The development of Islamic banking in the world

Statement	1993	1997	appreciation 2001 –
Number of Islamic banks and financial institutions	100	176	250
Capital (billion dollars)	2.4	7.3	12.7
Total assets (\$ billion)	54	148	260
Funds under management (\$ billion)	41	113	200
Net profit	not available	1.2	2.1

Source: Dr. Saeed bin Saad Al-Martani, May 1989, p. 63

Figure No. (04): The development of Islamic banking in the world



Source: Prepared by the researcher based on the elements of the study

Through the indicators and data of the previous table, the qualitative leap that Islamic banking has taken globally is clear. In 1993, there were 100 Islamic banks, becoming 176 Islamic banks by the year 1997, meaning in just four years. According to the researcher's estimate, it reached 250 banks during the year 2001, which was approximately. In the year 2000, there were 210 banks, and in the year 2003, the number of banks reached 267 banks, meaning that the estimate was correct to a large extent. The table also indicates the growth of the Islamic banking industry at the following approximate rates. During the two mentioned periods:

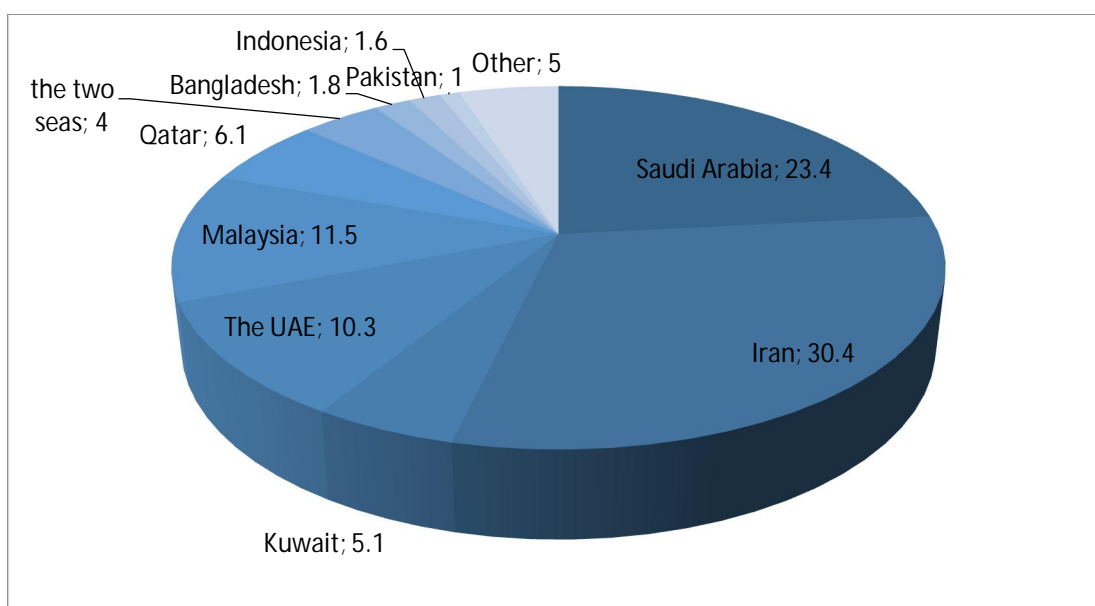
Table No. (3): Rates of development of Islamic banking in the world

Statement	Average annual growth rate	
	1997-1993	2001-1997
the years	15%	8%
Number of Islamic banks and financial institutions	35%	8%
Capital (billion dollars)	41%	15%
Total assets (\$ billion)	35%	15%
Funds under management (\$ billion)	35%	15%
Net profit	not available	15%

Source: Dr. Saeed bin Saad Al-Martani, May 1989, p. 65.

These rates are much higher than those of the traditional banking industry at the local and international levels, despite the noticeable decline in banking awareness in most Islamic countries, the majority of which are classified as third world countries (Al-Martani D., May 1989, p. 17).

Figure No. (05): Percentage of Islamic banking assets for the ten largest countries in the world



Source: Prepared by the researcher based on the Union of Arab Banks, April 2018, p. 08

- **Malaysia's experience:**

The country of Malaysia is currently considered at the forefront of the countries called the Asian Tigers. It is the country that has gotten rid of the restrictions of backwardness and entered the club of developed countries. It is the only Muslim country among this group, and its economy is based on diversity. Malaysia has also witnessed, for decades, an increasing interest in the financial industry. Bank Islam was established. Malaysia, which is considered the first Islamic bank in 1983 AD, is considered one of the first Islamic countries to be interested in the Islamic financial industry. Its experience in the modern era began in Egypt with the establishment of Nasser Social Bank in 1971 AD. However, the financial industry clearly began its emergence with the founding of the Islamic Development Bank in 1975 AD. Then

Dubai Islamic Bank, which was established in the same year, then Kuwait Finance House in 1977. The industry then began to spread throughout the Islamic world and beyond.

Malaysia, with its Islamic financial system, has become the ideal model for a developed Islamic economy. This system has helped achieve this great economic growth and its existence in an environment characterized by freedom and fair competition.

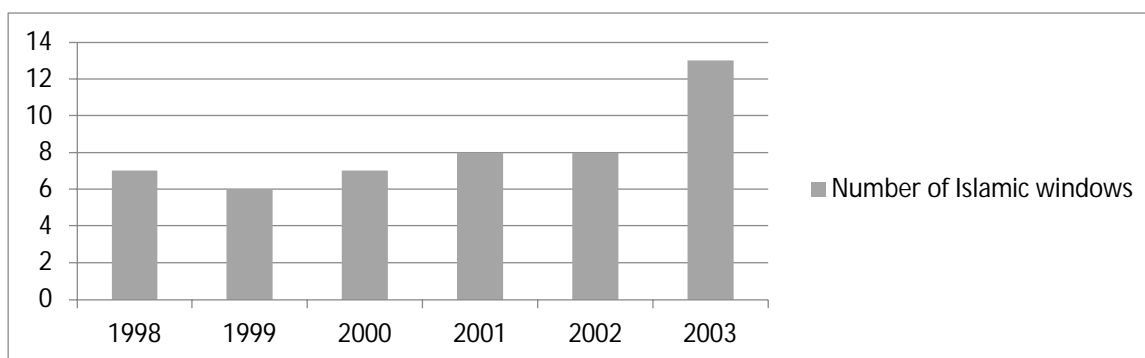
Below we will present statistics and data related to Malaysia's experience in Islamic banking and what is related to Islamic windows and how it started from Islamic windows in traditional banks and then to opening purely Islamic banks.

Table No. (6): Number of Islamic windows in Malaysian conventional banks

the years	1998	1999	2000	2001	2002	2003
Number of Islamic windows	7	6	7	8	8	13

Source: Qutb Muhammad Sano, 2005, p. 1568.

Figure No. (06): Development of the number of Islamic windows in Malaysian conventional banks



Source: Prepared by the researcher based on the study sources

Analysis:

We notice from Table No. (5) a growth and increase in the number of Malaysian Islamic windows. It was only 7 windows in 1998, then it increased in 2001 and 2002, becoming 8 windows, then 13 windows in 2003, which indicates the efficiency of Islamic windows and the increasing financing role they have and the extent of their contribution to activity. Economic and its ability to gain the trust of customers, it also contributed to providing the necessary funds to finance various customers.

Table No. (7): Growth of the Islamic banking financing sector in Malaysia between 2005 and 2017

(Unit for financial amounts: 1 billion Malaysian ringgit)

the years	2005	2006	2007	2008	2009	2010
Number of Islamic banks	6	10	11	17	17	17
Number of agencies	766	1167	1272	2039	2087	2102
Asset size	112	171	204	251	303	351
Ratio of Islamic banks' assets to total banks %	11.3	14.4	15.5	17.4	19.6	20.7
The volume of financing for Islamic banks	67	103	122	150	187	222
Percentage of Islamic banks' financing to the total financing volume %	12.1	16	17.3	18.9	21.6	22.7

2011	2012	2013	2014	2015	2016	2017
16	16	16	16	16	16	16
2147	2171	2177	2192	2206	2197	2196
435	495	558	615	685	744	830
22.4	23.8	25	25.5	26.8	28	30
268	315	371	425	495	553	606
24.3	25.8	27.5	29.2	31.3	32.2	34.9

Source: Prepared by the researcher based on Mohd Yazid Kasim, 2019, p: 10-12.

Analysis:

Among the observations that we notice from the table above are the increasing and continuous development and growth of Islamic financial banking in the State of Malaysia during the period between 2005 and 2017:

As for the number of Islamic banks and the number of agencies:

In terms of the number of Islamic banks active in Malaysia, their number has increased from 6 Islamic banks in 2005 to 16 Islamic banks in 2017, or the number of agencies distributed across the country's area has increased in exchange for an increase in the number of banks. The number of active agencies in the country was 766 agencies in 2005, rising to 2196 agencies in 2017, which reflects the high coverage rate in order to respond to the needs of various segments of economic clients.

As for the size of its assets and the amount of financing it grants to various Islamic banks:

With regard to the size of the financial assets of Islamic banks, it also witnessed an increasing increase during the period between 2005 and 2017, as the size of the financial assets of Islamic banks was 112 billion Malaysian ringgit in 2005, or 11.3%, and it continued to rise until it reached more than 830 billion. The Malaysian ringgit in 2017, i.e. 30%, which indicates the development and expansion of Islamic banks active in Malaysia and their growth on the one hand, and on the other hand due to the increase

in the number of this type of banks, as we mentioned previously.

We also note that this increase in the size of Islamic banks' assets has been matched by an increase and growth in the size of their financing capabilities, as the volume of financing granted by Islamic banks jumped from 67 billion Malaysian ringgit in 2005, or 12.1% of the total financing granted to the economy, to more than 606 billion. The Malaysian ringgit in 2017, which represented 34.9% of the total financing granted to the economy, which indicates the effectiveness of Islamic banks, their increasing financing role, and their contributions in providing the financial amounts necessary to finance various economic clients.

4. Conclusion

As a summary of the above, we have highlighted in our research the nature of Islamic banking, its origin, Islamic banks and what is related to them, Islamic windows and their characteristics in the theoretical aspect, and we presented the countries' experiences of Islamic banking and its development since its inception and the beginning of its work, and the development and growth of this type of financial transactions. We have reached the following results:

In our study, we presented data on the growth and development of Islamic windows in traditional banks, their increase, and the extent of their contribution to opening independent branches or independent Islamic banks in all countries of the world that have adopted this industry. We presented in particular the experience of the State of Malaysia in Islamic banking, and we saw the extent of the development and growth of its Islamic windows and the growth of the finance sector. Islamic banking in Malaysia between 2005 and 2017, and we noted the following:

- The development and growth of the number of Islamic banks in the world, where in 1975 there were two banks, to become in 2015 about 1,143 Islamic banks.

- The prosperity and growth of Islamic banking in the world, which indicates the efficiency and effectiveness of this type of banks, the importance of its financing role, and the extent of its contribution to providing the financial amounts necessary to finance various sectors and economic clients.

The growth of Islamic banks in the world accelerated during the year 2018, as the highest volume of Islamic assets reached \$6,855.93 million, which was the share of the State of Iran, while the largest growth rate of Islamic banks was 80.29%, the share of

the State of Turkey, and the lowest growth rate was 43.61%, which was the State of Syria.

The growth of Islamic windows in the world accelerated during the year 2018, as the highest volume of Islamic assets reached 24,742.62 million dollars, which was the share of the State of Malaysia through the CIMB Group Bank window. As for growth rates, the largest growth rate for Islamic windows was 136.28% for the share of the UAE, represented by the Bank Window. First Abu Dhabi, which is a large percentage, while the lowest growth percentage was 21.08% for Citibank Berhad in Malaysia.

- Growth and increase in the number of Malaysian Islamic windows, from 7 windows in 1998 to 13 windows in 2003.

Islamic windows are considered a first building block and a strategic entry point for the transformation of the financial banking system towards Islamic banking.

The number of active Islamic banks in Malaysia increased from 6 Islamic banks in 2005 to 16 Islamic banks in 2017.

- An increase in the number of agencies, compared to an increase in the number of banks from 766 agencies in 2005 to 2,196 agencies in 2017.

- The contribution of Islamic windows in traditional banks to the localization of Islamic banking activity.

- The volume of financial assets of Islamic banks increased from 112 billion Malaysian ringgit in 2005 to more than 830 billion Malaysian ringgit in 2017.

- The development and expansion of Islamic banks active in Malaysia and their growth.

- The contribution of Islamic windows to revitalizing and developing the banking system by competing with traditional banking.

Based on the results obtained, we recommend the following:

- Adopting the idea of opening Islamic windows and directing efforts and energies to strengthen Islamic windows in traditional banks.

- Introducing Islamic banking products, such as Murabaha, Musharaka, etc., into banking activities through Islamic windows.

- Completely separating Islamic banking products from those usurious products and making them independent of them.

- Applying the principles of Islamic Sharia in Islamic banking with credibility so that the results are better.

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