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Saleh Kamel Islamic Economy Database

ISLAMIC WINDOWS OF CONVENTIONAL BANKS A GLOBAL LANDSCAPE ANALYSIS

October 2026

Introduction

Islamic finance has, over the past decades, grown from a niche offering confined to countries in Gulf and Southeast Asian institutions into a genuinely global segment of the banking industry. A significant share of this growth has been delivered not through purpose-built Islamic banks, but through conventional banks that provide Shariah-compliant products and services through their existing infrastructure, most commonly via an “Islamic window.”

This report presents a global landscape analysis based on a structured database of 283 Islamic windows and related Shariah-compliant offerings operated by conventional banks across 62 countries and 10 regions. For the purposes of this report, the database is treated as the complete global population of identifiable Islamic windows within the defined scope, rather than as a sample drawn from that population. The analysis is therefore descriptive: it examines the observed population’s regional and institutional composition, ownership and organizational characteristics, geographic distribution, and establishment timeline, and profiles selected international banking groups operating Islamic windows in multiple jurisdictions.

1. Background

According to the Islamic Financial Services Board (IFSB), an Islamic window is an operation within a conventional financial institution, which may be established as a branch or a dedicated unit, that provides Shariah-compliant fund management, including investment accounts, as well as financing and investment activities. Such windows are, in principle, potentially self-contained in terms of Shariah-compliant financial intermediation, as the funds managed through them are invested in Shariah-compliant assets. However, the term “Islamic window” is not uniformly used across jurisdictions, and in some cases it may refer to operations that do not fully satisfy this definition¹.

1.1 Organizational Structure of the Islamic windows

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An Islamic window operates as a **Strategic Business Unit (SBU)** within a conventional bank.
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It should have **dedicated infrastructure**, including separate accounting and financial reporting systems.
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These systems help ensure a clear separation between **conventional transactions** and **Shariah-compliant transactions**.
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The degree of **operational separation** may vary across jurisdictions.
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In some cases, the separation may extend to **independent management and dedicated human resources**.²

¹International Monetary Fund. (2018). The core principles for Islamic finance regulations and assessment methodology.

²Islamic Financial Services Board. (2011). Revised compilation guide on prudential and structural Islamic financial indicators (PSIFIs). Islamic Financial Services Board. Official IFSB PDF

1.2 Reasons for the Emergence of Islamic Windows

The emergence of Islamic windows within conventional banks can be attributed to several factors, which may differ from one institution to another. The main reasons can be summarized as follows:

- 1. Regulatory and operational convenience:** Establishing an Islamic window is generally easier to control and involves fewer legal procedures than establishing a separate Islamic bank.
- 2. Avoiding the establishment of new Islamic banks:** Islamic windows allow conventional banks to provide Shariah-compliant services without creating separate Islamic institutions.
- 3. Meeting growing customer demand:** The increasing preference for Shariah-compliant banking services has encouraged conventional banks to introduce Islamic windows.
- 4. Gradual transition to Islamic banking:** Islamic windows can facilitate a gradual expansion from conventional to Islamic banking activities.
- 5. Serving growing Muslim populations:** In Western countries, the growth of Muslim communities has increased demand for Islamic financial services and encouraged banks to target this market.
- 6. Simplified establishment procedures:** Creating an Islamic window within an existing bank is generally less complex than establishing a new bank.
- 7. Attracting additional funds:** Islamic windows enable conventional banks to reach new customers and attract funds seeking Shariah-compliant financial services.

1.3 Characteristics of Islamic Windows

- Integration within a conventional bank**

An Islamic window operates within a conventional financial institution, usually as a dedicated branch, department, or unit, rather than as a separate legal entity.
- Shariah compliance**

All products, financing, investment, and fund-management activities conducted through the window must comply with Shariah principles.
- Segregation of Islamic and conventional funds**

Islamic assets, liabilities, and funds must be appropriately separated from conventional banking activities to prevent commingling.
- Shariah governance**

The Islamic window should have appropriate Shariah governance arrangements to ensure that its activities and products remain Shariah-compliant.

1.4 Why Some Countries Restrict the Islamic Window Model

Why Some Countries Do Not Adopt the Islamic Window Model: Two Main Reasons

- 1.** Countries that have adopted a fully Islamic banking system, where all banking operations are required to comply with Shariah principles.
- 2.** Countries that restrict or prohibit Islamic banking through legal or regulatory frameworks, often because of constitutional, or regulatory considerations such as (Qatar, Kuwait, Jordan, Lebanon).⁵

³.International Monetary Fund. (2018). The core principles for Islamic finance regulations and assessment methodology.



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2. Analysis

The analysis covers 283 Islamic banking windows and related Shariah-compliant offerings operated by conventional banks across 62 countries and 10 regions. The findings demonstrate that the Islamic-window model has become a global banking strategy rather than a model limited to the Gulf Cooperation Council (GCC) and Southeast Asia. The dataset shows Islamic windows have become a truly global phenomenon, extending well beyond the traditional Gulf and Southeast Asian heartlands of Islamic finance into Sub-Saharan Africa, South Asia, Europe, and even non-Muslim-majority markets such as the United States, the United Kingdom, South Africa, and Australia.



Islamic
windows



Countries



Regions
Covered

Key Findings

1 South Asia (22%) and Sub-Saharan Africa (20%) together host over 40% of all recorded windows.

Driven overwhelmingly by Bangladesh (29), Ethiopia (20), and Indonesia (20) — reflecting the depth of Islamic retail demand in large Muslim-minority and Muslim-majority populations outside the GCC.

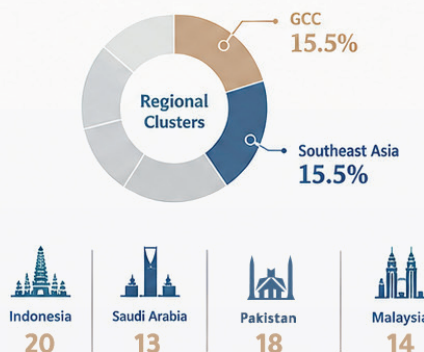


Top countries by number of windows



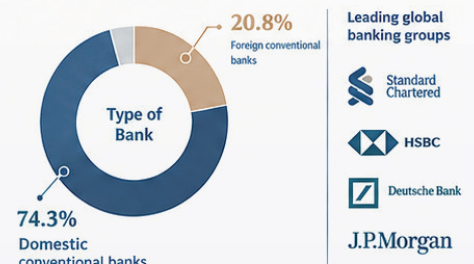
2 The GCC (15.5%) and Southeast Asia (15.5%) remain tied as the next-largest regional clusters.

Led by the Pakistan (20), Saudi Arabia (13), Indonesia (20) and Malaysia (14) — the traditional core markets of Islamic finance.



3 Approximately 74.3% of the entries represent Islamic windows operated by domestic conventional banks.

While 20.8% are Islamic windows of foreign conventional banks operating in host markets, including international banking groups such as Standard Chartered, HSBC, Deutsche Bank, and JPMorgan. This highlights the dominant role of domestic banks alongside meaningful participation by global banking groups.



Leading global
banking groups



4 Windows opened by foreign banks are concentrated in Europe (69%) and the GCC (41%).

Where international banks use an Islamic window to serve their client base without establishing a fully separate Islamic subsidiary.



5 The global footprint of Islamic windows is actively growing.

Over 42% have been established since 2015, and 67 units have rolled out since 2020, positioning the model in an ongoing phase of expansion.





3. Global Distribution

Islamic banking windows are distributed across a broad range of geographic markets, confirming the global integration of Shariah-compliant banking. Although the largest concentrations remain in South Asia, Sub-Saharan Africa, the GCC, and Southeast Asia, institutions are also present in Europe, North America, Australasia, and other non-traditional Islamic-finance markets.

South Asia and Sub-Saharan Africa record the highest numbers of institutions. This concentration is associated with large and growing populations, expanding financial-inclusion objectives, and increasing demand for banking products that comply with Islamic principles. In many of these markets, conventional banks have added Islamic products to their existing operations rather than establishing separate Islamic banks.

The GCC and Southeast Asia remain strategically important because of their mature Islamic-finance ecosystems, established regulatory frameworks, experienced institutions, and comparatively high levels of customer awareness. These regions also serve as important centers for Islamic investment, corporate finance, and cross-border banking.

Global Expansion and Regional Distribution of Islamic Windows 2026



3.1 Top Countries

The largest national markets in the dataset are Bangladesh, Indonesia, Ethiopia, Pakistan, and the United Arab Emirates. Together, these countries represent a significant share of the institutions reviewed. Bangladesh and Pakistan reflect substantial domestic demand for Islamic retail and commercial banking. Indonesia combines a large Muslim population with a growing financial-services sector and increasing regulatory support for Islamic finance. Ethiopia represents one of the most significant emerging markets in Sub-Saharan Africa, while the United Arab Emirates functions as a regional hub for Islamic finance and international banking. While the presence of Islamic windows in countries outside the traditional Islamic-finance centers also demonstrates that the model is adaptable to different market conditions.

Top 15 Countries by Number of Islamic Windows



4. Institutional Structure

Islamic windows are structured in several different ways, depending on the bank's ownership, regulatory environment, market strategy, and level of commitment to Islamic finance. Some institutions operate dedicated Islamic windows within conventional banks, while others provide selected Shariah-compliant products without establishing a separately branded Islamic division. The dataset indicates that the Islamic-window model is primarily used as a commercially driven strategy. It enables conventional banks to test demand, broaden their customer base, mobilize deposits, and provide Islamic financing while continuing to operate within their established banking infrastructure.

The largest category consists of Islamic windows operated by conventional banks, accounting for 211 institutions. These institutions provide a range of Shariah-compliant products; such as deposits, financing, investment products, and trade-finance facilities; within the broader structure of a conventional bank. The second-largest category comprises Islamic windows operated by foreign conventional banks, with 60 institutions. These units are typically established by international banking groups seeking to serve Muslim customers and businesses in host countries without creating a separate Islamic bank. A smaller group of institutions operates primarily as Islamic-product providers, representing 10 institutions. These banks may offer a limited selection of Shariah-compliant products rather than maintaining a comprehensive Islamic banking division. The remaining category consists of 2 Islamic-product providers owned or controlled by foreign conventional banking groups.



Classification of Islamic Windows



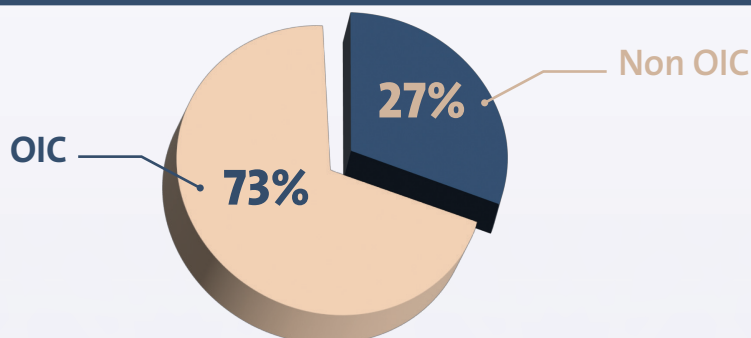
5. OIC Membership of Host Countries

Most of the Islamic windows identified in the dataset are located in member countries of the Organization of Islamic Cooperation (OIC) with a total of 73% of the Islamic windows. This concentration is consistent with the large Muslim populations, established Islamic-finance markets, and supportive regulatory environments found across many OIC countries.

However, a substantial minority of Islamic windows operate in non-OIC countries. These include markets such as the United Kingdom, the United States, South Africa, Kenya, Ethiopia, Russia, and Australia. Their presence demonstrates that Islamic banking is not limited to countries with Muslim-majority populations or formal OIC membership. In non-OIC markets, conventional banks often introduce Islamic windows to serve Muslim minorities, diaspora communities, international businesses, and institutional customers. Some banks also view Shariah-compliant products as part of a broader ethical-finance offering that can appeal to customers regardless of their religious background.

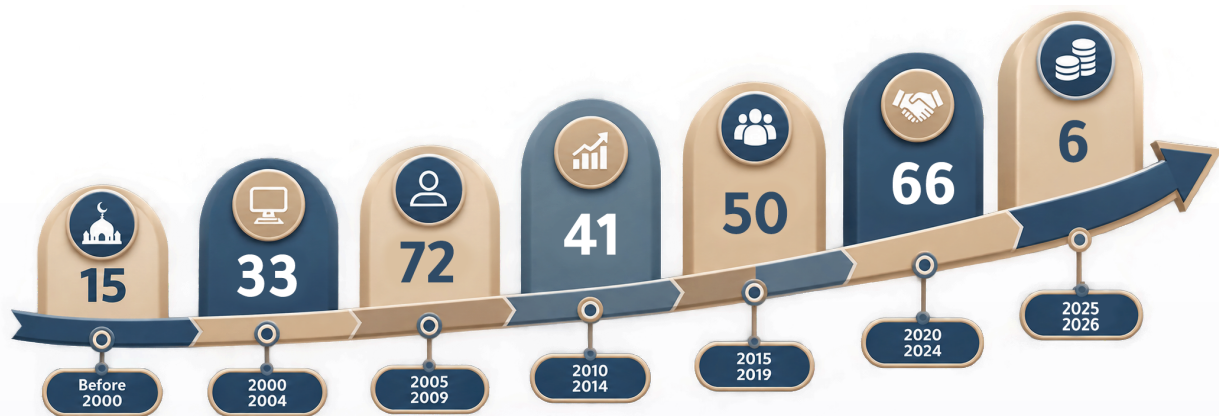
Overall, the OIC and non-OIC distribution confirms the adaptability of the Islamic-window model. It can operate both as a mainstream banking channel in Muslim-majority markets and as a specialized financial-service offering in international markets.

Host Country OIC Membership



6. Growth Timeline

The distribution of Islamic windows by establishment period indicates a significant expansion in the adoption of the Islamic window model over time. Before 2000, only 15 institutions were identified. The number increased to 33 institutions during 2000–2004 and reached its highest level of 72 institutions during 2005–2009. Establishment activity subsequently declined to 41 institutions during 2010–2014, before increasing again to 50 institutions during 2015–2019. A further substantial increase was recorded during 2020–2024, when 66 institutions were established. Only 6 Institutions was identified as having been established in 2025 and 2026. Overall, the distribution demonstrates that the establishment of Islamic windows accelerated considerably after 2000, with particularly strong growth during 2005–2009 and 2020–2024.



7. Notable Global Banking Institutions Operating Windows in Multiple Countries

7.1 Geographical Expansion of Islamic Windows of Foreign Conventional Banks

The data presented in the table indicate that some foreign conventional banks have expanded their Islamic banking activities beyond their home countries, reflecting the growing global reach of Islamic banking services. The extent of this geographical expansion varies considerably across banks. Standard Chartered Bank has the widest international presence among the banks included in the table, with its Islamic banking activities extending to seven. Similarly, Habib Bank AG Zurich operates Islamic banking activities in six countries outside Switzerland, while Coris Bank International has expanded its Islamic banking operations into six additional African countries, namely Benin, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. First Abu Dhabi Bank and Arab Banking Corporation (ABC) also demonstrate relatively broad geographical expansion, with Islamic banking activities extending to four countries outside their respective home countries.

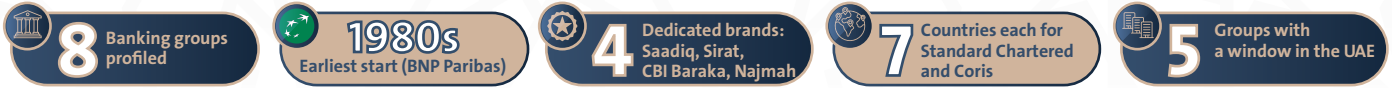


The geographical distribution further demonstrates that Islamic windows of foreign conventional banks are not concentrated in a single region, but are present across the Gulf and wider Middle East, South and Southeast Asia, Africa, and selected European markets. Several international banks, including BNP Paribas, Deutsche Bank, and MUFG Bank, have established Islamic banking activities in more than one foreign market, although their geographical reach is more limited compared with the most internationally diversified banks. In contrast, some banks have adopted a more focused approach, operating Islamic banking activities in only one country outside their home market, such as Citibank in Malaysia, Crédit Agricole in the United Arab Emirates, J.P. Morgan Chase N.A. in Saudi Arabia, and Mizuho Bank in Malaysia. Overall, the variation in the number of countries served suggests that foreign conventional banks adopt different strategies when entering Islamic banking markets, ranging from broad multi-country expansion to a more selective country-specific approach, depending on market opportunities, customer demand, and the regulatory environment governing Islamic financial services.

Master List of Banks

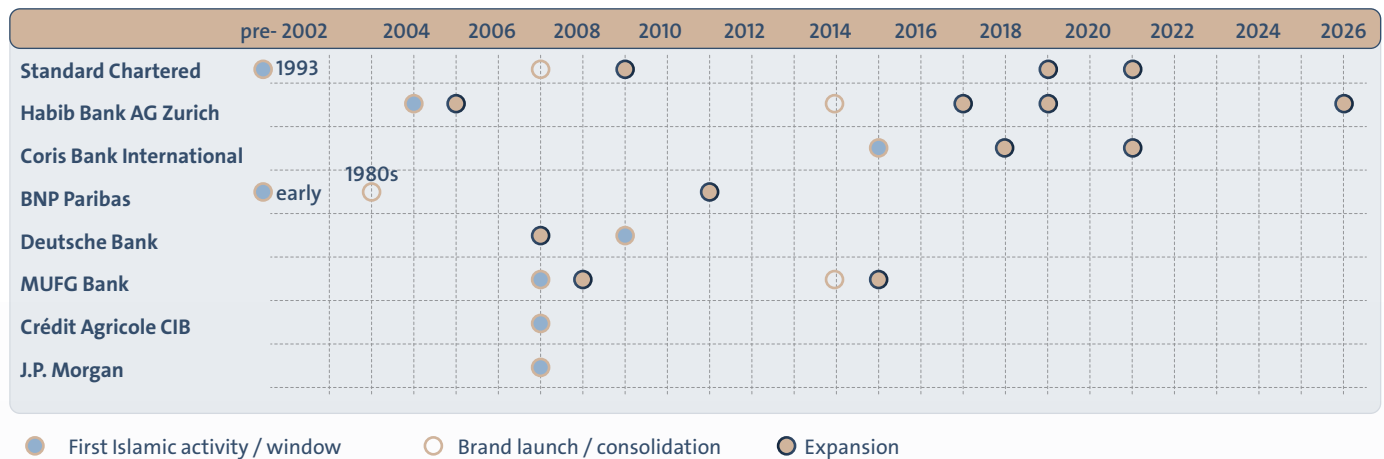
Banks		Country of Origin	Geographic Expansion of the Islamic Window	Countries
 Standard Chartered	Standard Chartered Bank	United Kingdom	Operates across 7 countries outside its home country.	Bahrain, United Arab Emirates, Malaysia, Brunei Darussalam, Pakistan, Bangladesh, Saudi Arabia
 Habib Bank AG Zurich	Habib Bank AG Zurich	Switzerland	Operates across six countries outside its home country.	United Arab Emirates, United Kingdom, Pakistan, Sri Lanka, South Africa, Canada
 GiB	Gulf International Bank	Bahrain	Operates across one country outside its home country.	Saudi Arabia
 BNP PARIBAS	BNP Paribas Najmah	France	Operates across three country outside its home country.	Bahrain, Morocco, Malaysia
 FAB1	First Abu Dhabi Islamic Finance Bank	United Arab Emirates	Operates across four country outside its home country.	Saudi Arabia, Egypt, United Kingdom, Singapore
 الوطني NBK	National Bank of Kuwait	Kuwait	Operates across two country outside its home country.	Saudi Arabia, Egypt
 Bank ABC	Arab Banking Corporation	Bahrain	Operates across four country outside its home country.	Algeria, United Kingdom, Singapore, United States of America
 citi	Citibank	United States	Operates in 1 country, outside its home country.	Malaysia
 Deutsche Bank	Deutsche Bank	Germany	Operates in 3 countries, outside its home country.	Malaysia, United Arab Emirates, Saudi Arabia
 MUFG	MUFG Bank	Japan	Operates in 2 countries, outside its home country.	Malaysia, United Arab Emirates
 HSBC Amanah	HSBC Amanah Malaysia	United Kingdom	Operates in 1 country	Malaysia
 CORIS BANK INTERNATIONAL	Coris Bank International	Burkina Faso	Operates in 6 countries outside its home country.	Benin, Ivory Coast, Mali, Niger, Senegal, Togo
 CA	Crédit Agricole	France	Operates in 1 country	United Arab Emirates
 J.P.Morgan	J.P. Morgan Chase N.A.	United States	Operates in 1 country	Saudi Arabia
 MIZUHO	Mizuho Bank	Japan	Operates in 1 country	Malaysia

7.2 Prominent International Banking Groups with Islamic Banking Windows



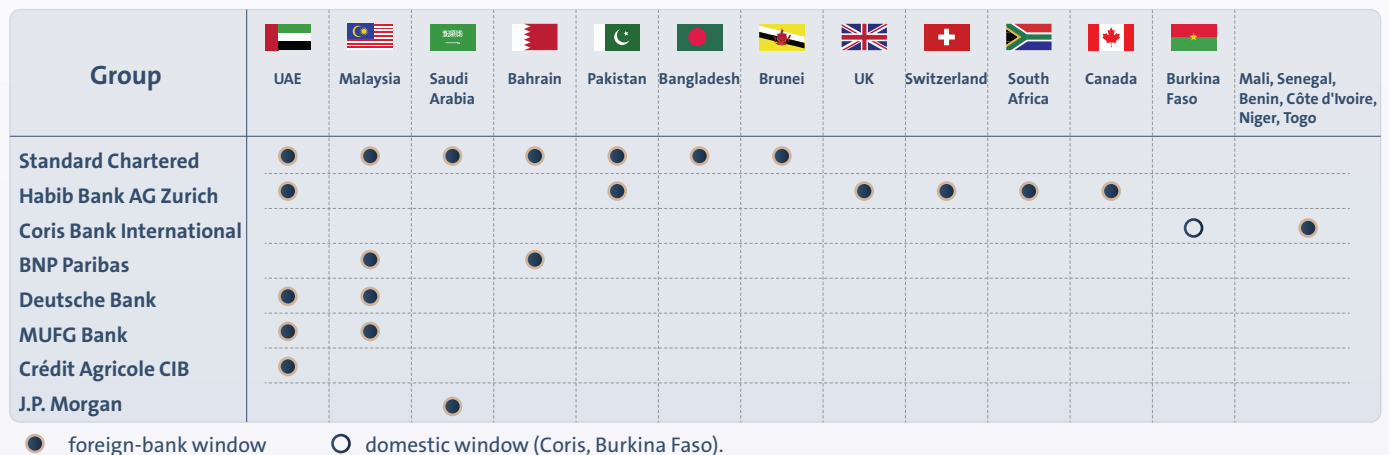
When each group started

Gridlines mark every year from 2002, labelled every two years from 2004. Earlier milestones (BNP Paribas early 1980s, Standard Chartered 1993) are compressed into the left block.



Where the windows operate

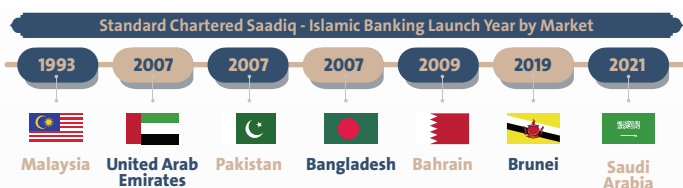
Countries named in the text; scroll sideways on small screens.





7.2.1 Standard Chartered Saadiq

Standard Chartered (UK, founded 1969) began Islamic finance in Malaysia in 1993, making it one of the earliest international banks to offer Islamic banking products. The group launched its global Islamic brand, "Saadiq," in 2007. Domestic Islamic banking activity started in the UAE, Pakistan and Bangladesh in 2007, Bahrain in 2009, expanding to Brunei in 2019 and Saudi Arabia in 2021. The footprint is concentrated in the GCC, South Asia and Southeast Asia, with a dedicated Malaysian entity, Standard Chartered Saadiq Berhad. Products are governed by both local regulators and Sharia supervisory boards (present in Pakistan, Malaysia, the UAE and Brunei) alongside a Global Sharia Advisory Committee.



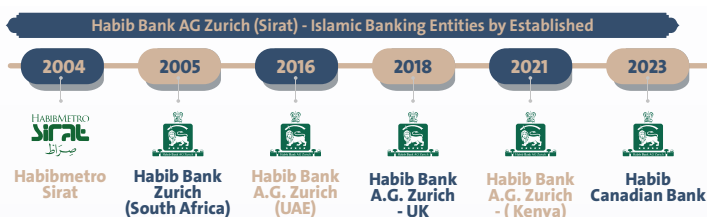
7.2.3 Coris Bank International

Coris Bank International Group is a regional banking group founded and headquartered in Burkina Faso. It expanded across West Africa through subsidiary banks in several countries. Its Islamic banking services operate under the CBI Baraka brand, launched in Burkina Faso in April 2015. The Islamic banking model expanded to Mali, Senegal, Benin and Côte d'Ivoire in 2018, followed by Niger and Togo in 2021. The Burkina Faso operation is classified as a domestic Islamic banking window, while the other six are foreign-bank windows. CBI Baraka provides Shariah-compliant financial products and services to individuals, businesses and institutions. Its products and operations are overseen by Shariah compliance boards to ensure conformity with Islamic principles.



7.2.2 Habib Bank AG Zurich (Sirat)

Habib Islamic banking is offered primarily through Sirat, the Sharia-compliant brand of Habib Bank AG Zurich (HBZ) and HABIBMETRO. HBZ began offering Islamic banking services in 2004 and formally launched Sirat in Pakistan in 2014, followed by the UAE in 2017. Sirat was then launched in the UK in 2019, and is also offered in Switzerland and South Africa in 2004 and 2005 respectively. While Habib Canadian Bank launched it most recently, in 2026. Over roughly two decades, Sirat's services have expanded across HBZ's global network to a number of locations, and the brand is currently offered in five countries. Islamic banking products and services are offered in accordance with the principles of Islamic finance, in compliance with Sharia and regulatory requirements, with all of Sirat's products and services reviewed and approved by a Sharia supervisory board or committee.



7.2.4 MUFG Bank

MUFG Bank is a Japanese-origin foreign conventional bank belonging to Mitsubishi UFJ Financial Group (MUFG). MUFG is one of the leading Japanese financial institutions in Islamic finance, having begun its activity in this field in Malaysia in 2008 by establishing an Islamic banking arm, before obtaining an Islamic banking window license in 2014 and beginning to offer Islamic services denominated in Malaysian ringgit. The Malaysian window's activities are focused mainly on serving clients in the Asia-Pacific region. In the UAE, its DIFC branch licensed an Islamic window on 30 July 2007, with active Islamic finance operations from 2015 serving EMEA, Central Asia and the Americas. The bank also supports its Islamic activities through dedicated Sharia governance frameworks, including an internal Sharia committee in Malaysia and a Sharia supervisory board in Dubai.





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7.2.5 Deutsche Bank

Deutsche Bank is one of the major German conventional banks with a broad international presence, and has long-standing experience in Islamic finance. This activity is most evident in both Malaysia and the United Arab Emirates. In Malaysia, Deutsche Bank (Malaysia) Berhad operates as a licensed conventional commercial bank, and obtained approval from Bank Negara Malaysia on 22 August 2007 to conduct Islamic banking business, subsequently commencing operations through an Islamic Banking Window on 20 April 2009. In the UAE (present since 1999, with DIFC and Abu Dhabi operations), the DFSA register confirms a DIFC license to "Operate an Islamic Window." Classified as a foreign conventional bank with windows in both markets. The bank also maintains a Sharia oversight framework to support its Islamic activities and products and ensure their compliance with Sharia principles.

7.2.7. Crédit Agricole CIB

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) is a French-origin foreign conventional bank with a presence in the UAE through its branches in Dubai and Abu Dhabi, in addition to a DIFC branch. The bank offers Islamic finance services through an Islamic Window attached to its DIFC branch. The bank's DIFC branch obtained a license to carry out the activity of "Operating an Islamic Window" from the Dubai Financial Services Authority (DFSA) on 27 May 2007. Crédit Agricole CIB – UAE can accordingly be classified among the foreign conventional banks with an Islamic window, noting that the Islamic window is linked to the bank's DIFC branch. Crédit Agricole CIB's Islamic finance activities are subject to Shariah oversight through the relevant Shariah governance arrangements applicable to its Islamic Window in the DIFC.

7.2.6 BNP Paribas Najmah

BNP Paribas was one of the earliest international banks to establish Islamic finance operations, beginning in the early 1980s. In 2003, it consolidated these activities under BNP Paribas Najmah, headquartered in Bahrain. An Asia-Pacific platform was added in Malaysia in 2011 to support the bank's expansion into key Islamic markets. The bank's business model in the Middle East and Africa region includes Islamic banking activity within its Corporate and Institutional Banking division. Najmah offers sukuk, liquidity management, Islamic hedging, investments, structured finance and financing facilities to governments, financial institutions, corporates and high-net-worth clients. Najmah's products and solutions are reviewed and certified by BNP Paribas's internationally recognized Shariah Supervisory Committee.

7.2.8. J.P. Morgan Chase– Saudi Arabia

J.P. Morgan Chase is a U.S.-origin conventional bank with a long-standing presence in Saudi Arabia through the Riyadh branch of J.P. Morgan Chase Bank, N.A., and J.P. Morgan Saudi Arabia; its Islamic banking window was established in 2007. Alongside its conventional banking and investment services, the bank offers a range of Sharia-compliant products and services, including debt and equity markets, investor products, cash management, Murabaha-based liquidity products, risk management, and asset management funds. J.P. Morgan Saudi Arabia maintains Shariah oversight for its Sharia-compliant financial activities through independent Shariah advisers, who provide guidance on the compliance of its Islamic financial products and transactions with Shariah principles.

Disclaimer: For the purposes of this report, the scope of review extends beyond banks operating formal Islamic windows to also include conventional banks that offer Islamic finance products and services without a dedicated window structure.

Unless otherwise cited, all data presented in this report is sourced from Saleh Kamel Islamic Economy Database SKIED <https://database.albaraka.site/institutions#Islamic-Windows>. Where external sources have been used, they are explicitly referenced.



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