

CHALLENGES IN THE EXPANSION OF ISLAMIC BANKING IN ALGERIA: A CASE STUDY OF "BANQUE AL-BARAKA" COMPANY

Nezha DJELLAL AMEUR¹,

¹ Associate Professor Faculty of Economic Sciences, Management & Commercial
Sciences. University of Oran 2 Mohamed Ben Ahmed, Algeria.

Laboratory : New Trends and Development Policies for Development in Algeria

e-mail: n.djellalameur@gmail.com

Received: 16/01/2025

Accepted: 07/12/2025

Published: 18/12/2025

Abstract:

Amid the global rise of ethical finance-, which emphasizes human and social values-, Islamic finance emerges as a consistent alternative, grounded in the Quran and Sunna. It offers a comprehensive Sharia-based framework for addressing economic and financial challenges. This study aims to explore the origins, principles, and evolution of Islamic finance, assess the readiness of the Algerian banking sector, and analyse the operational model of Al Baraka Bank within this context. An empirical survey was conducted with a sample of 370 customers from Al Baraka Bank. The study sought to evaluate the demand for Islamic financial products, understand customer expectations, and assess the influence of religious obligations on banking behaviour. Collected data were analysed using the Chi-square (χ^2) test to determine significant statistical relationships. Individual consumers constituted 79.73% of respondents, indicating a strong demand in the retail banking segment. Religious motivation played a central role, with 64.86% of customers choosing Al Baraka Bank due to its adherence to the Islamic system. Transaction types were balanced, with 58.11% in credit operations and 41.89% in cash transactions. Regarding service quality, 72% expressed satisfaction with transaction speed. Perceptions of product pricing varied: 35.14% considered them "affordable," 43.24% "expensive," and 21.62% "costly." Factors contributing to Al Baraka Bank's perceived uniqueness

Nezha DJELLAL AMEUR, :n.djellalameur@gmail.com

included adherence to Sharia principles (66.67%), mutual trust (28.89%), and staff competence (4.44%). Notably, 55.41% of respondents viewed Islamic banking as a variation of the conventional banking system. Despite perceived complexity and cost, the Algerian market shows promising potential for Islamic finance. The findings highlight increasing consumer interest in faith-aligned financial solutions, reinforcing the relevance and value of Islamic banking in Algeria.

Keywords: Ethical finance; Islamic finance; Algerian banking sector; Islamic bank AL Baraka; Islamic banking; financial approach.

JELClassificationCodes: G00.G22

1. INTRODUCTION

The global financial landscape has undergone a significant transformation with the rise of institutions aligned with Islamic principles. Today, more than 560 Islamic banks and 1,900 Sharia-compliant mutual funds operate worldwide. Between 2015 and 2021, Islamic financial assets increased from \$2.17 trillion to nearly \$4 trillion, with forecasts anticipating growth to \$5.9 trillion by 2026 (ICD & Refinitiv, 2022; World Bank, 2023).

Islamic finance operates on a unique model of intermediation based on profit and loss sharing, and strict adherence to Islamic law (Sharia). It prohibits interest (riba), speculation (gharar), and investment in prohibited sectors such as gambling and alcohol, promoting transparency, ethical investing, and socio-economic justice. Its growing international appeal is exemplified by institutions such as the Islamic Bank of Britain, which opened in London in 2004, and other branches in Western financial hubs.

The ethical appeal and resilience of Islamic finance particularly during global crises have positioned it as a viable and credible alternative to conventional finance. This was especially evident during the COVID-19 pandemic, when the Islamic finance sector showed continued growth, driven by sukuk issuance and strong banking sector performance (Fatmawati, 2022)).

While Islamic finance enjoys global expansion, its implementation in North African contexts, particularly Algeria, faces a set of specific and under-

Challenges in the Expansion of Islamic Banking in Algeria: A Case Study of "Banque Al-Baraka" Company

researched challenges. Algeria has begun to show interest in developing its Islamic finance infrastructure, yet remains constrained by several factors, including regulatory ambiguity, institutional readiness, consumer awareness, and integration with the existing banking framework.

This study aims to fill that gap by exploring both the conceptual and practical dimensions of Islamic finance in Algeria. It seeks to analyze its foundations, principles, and evolution, while critically evaluating the readiness of the Algerian banking sector to accommodate Islamic finance principles. Special focus is placed on the case of Al Baraka Bank, one of the pioneering Islamic banks in Algeria.

The central research question guiding this inquiry is: **What are the main challenges facing the implementation and expansion of Islamic banking in Algeria?**

In support of this main question, the study also addresses the following sub-questions:

- What role can Islamic finance play in an environment historically dominated by conventional banking practices?
- To what extent do Islamic banking products differ from those of conventional banks, in the perception of Algerian consumers?

2. METHODOLOGY

2.1.1 Growth and Global Expansion of Islamic Finance

Although Islamic finance is a relatively young industry, it has witnessed rapid growth since the 1960s. The emergence of Sharia-compliant banking was driven by factors such as the revitalization of the Muslim religion, the importance of financial resources following the oil shocks of the 1970s, and a desire to distance from the colonial legacy (Hassan M. K., (2021)). This expansion has been supported by organizations like the IMF and the World Bank, which estimate that the value of Islamic banking assets has increased ninefold, currently exceeding \$2000 billion (Center", accessed 4 August 2023).

2.1.2 Islamic Finance and Socioeconomic Development

Islamic finance is viewed not only as a tool for wealth creation but also as a

means of promoting social well-being. From an Islamic perspective, development is linked to the satisfaction of basic needs, but it also emphasizes the equitable distribution of wealth. Credit plays a central role in facilitating economic growth, industrial development, and innovation (Schumpeter, 2021).

2.1.3 Key Characteristics of Islamic Banks

Islamic banking is an essential part of the broader Islamic economic system, distinguished by its adherence to Sharia principles. Banks in this system are primarily engaged in financial intermediation, with a profit motive, but they must avoid the uncertainty (Gharar) and interest (Riba) typical of conventional banking. There are various types of Islamic banks:

- Islamic Retail Banks: These banks engage in traditional financial intermediation.
- Islamic Investment Banks: They focus on gathering surplus liquidity for large-scale projects.
- Islamic Windows: These are dedicated sections of conventional banks that offer Islamic financial products (Abasimel, 2023).

2.1.4 The Ethical Role of Islamic Banking

Islamic banks are profit-driven entities, but their operations must align with Islamic ethical principles. Their goal is not only financial profitability but also societal welfare. They aim to achieve solvency and profitability while promoting social well-being, particularly through Zakat (charity) and income redistribution (Alhammadi, 2022).

2.1.5 Regulatory Framework of Islamic Banks

The regulatory landscape for Islamic banks was formalized with the enactment of laws in 1981 by Islamic countries, creating frameworks to ensure that Islamic banks operate according to Sharia laws. While the regulations for Islamic banks differ by country, they maintain substantial similarities (Anwer, 2020).

2.1.6 Prohibited Practices in Islamic Banking

The core principles of Islamic finance prohibit certain practices, including:

- Riba (Interest): Charging or paying interest is strictly forbidden.
- Gharar (Uncertainty): Transactions involving excessive uncertainty

are not allowed.

- Al-Maysir (Gambling): Speculative activities are banned.
- Profit Restrictions: Earnings from illicit activities or exploitation are not permissible (Al-Jarhi, 2017).

2.2 The Islamic Banking System

2.2.1 Overview of Islamic Banking Products

Similar to conventional banks, Islamic banks offer a broad range of products, including savings accounts, financing options, and investment services. However, their products are designed to comply with Sharia law, ensuring that all transactions are interest-free and based on ethical principles (Hanif, 2014).

2.2.2 Interest-Free Loans: Al Quard Al Hassan

Islamic banks offer Al Quard Al Hassan, an interest-free loan granted for charitable purposes. This loan is typically extended to individuals or groups facing financial difficulties or for funding community projects (Hailu, 2020).

2.2.3 Modes of Islamic Financing

Islamic financing methods are based on principles of profit and loss sharing, commercial transactions, and joint financing:

- Participatory Financing: Based on profit and loss sharing agreements (Mudarabah and Musharakah contracts).
- Commercial Financing: Involves trade-related transactions (Murabaha, Salam, Istisna).
- Co-financing: Involves multiple financial entities collaborating to fund large projects (Nouman, 2023).

2.2.4 Participatory Financing and Economic Benefits of Islamic Finance

Islamic finance provides significant benefits at both the microeconomic and macroeconomic levels. It supports the growth of small and medium enterprises (SMEs) by offering Sharia-compliant financial solutions, which help stimulate entrepreneurship and create employment opportunities. At a broader level, Islamic finance contributes to financial system stability

through risk-sharing principles and ethical investment practices. Moreover, it promotes social equity by mobilizing tools such as Zakat, which are instrumental in poverty alleviation and wealth redistribution (Hassan M. A., 2021). Participatory financing plays a key role in this framework, emphasizing collaborative investment mechanisms that reflect the ethical and economic objectives of Islamic financial systems.

2.2.4.1 The moucharaka contract

This contract involves two or more parties subscribing to the capital of a new company to realize specific projects (akin to joint ventures). It also includes scenarios where stakes are acquired in existing companies, entailing proportional participation in profits as outlined in the contract. Losses are distributed commensurate with respective contributions to the capital unless mismanagement is established. Two subcategories are identified: *moucharaka tabita* (fixed) and *moucharaka mutanakissa* (decreasing) (Mohd Jaffar, 2010).

2.2.4.2. The mudarabah contract

Originating from the Arabic term for "risk-taking," this trust-based contract forms an association between the financier and the worker. Essentially, it encompasses agreements between one or more investors (*rab-el-mal*), often represented by the bank, and an entrepreneur who contributes the required work and expertise to grow these funds (*mudarib*). The operation adheres to Sharia principles. This contract spans both limited and unlimited *mudarabah* scenarios (Miah, 2017)).

2.2.5 Purchase/Sale financing (commercial)

This classification involves contracts rooted in purchase and sale transactions constituting commercial operations. Prominent contracts within this category encompass *murabaha*, *salam*, *istisnaa*, and *éjarra* contracts (Financing - Overview).

2.2.6. The potential benefits of an Islamic banking system

2.2.6.1 The modernity of Islamic banks

The Islamic banking system embodies attributes of modernity through its innovative models and the array of financing instruments it offers.

2.2.6.2 The Advantages of Islamic financing at microfinance and macroeconomic levels

Challenges in the Expansion of Islamic Banking in Algeria: A Case Study of "Banque Al-Baraka" Company

Microfinance, targeting small and medium-sized enterprises, has showcased its viability through the success of specific institutions. Profits and sustainability are attainable with appropriate management. On the macroeconomic front, Islamic financing yields benefits such as enhanced market discipline, a robust foundation for financial growth, and improved systemic stability (Hassan M. A., 2021).

2.2.7 The strengths of Islamic banks

The distinct characteristics of Islamic banks endow them with inherent advantages in their operations. Despite appearing perplexing when assessing their stability, it is pertinent to inquire whether these attributes confer robust solidity. This evaluation entails examining elements such as profitability, liquidity, solvency, and overall risk level. Theoretical studies underscore the potential for substantial gains in profitability, market positioning, refinancing capabilities, and asset quality (Miah, 2017)).

2.2.8 Weaknesses of Islamic banks

A significant constraint encountered by Islamic banks pertains to liquidity. Furthermore, Islamic bank assets' specific nature makes them challenging to trade or securitize. Although an interbank market exists, its scope remains limited due to its predominantly national focus (Bilgin, 2021).

2.3 Case Study: The Islamic Banking System in Algeria – The Case of Al Baraka Bank

Islamic finance remains a nascent component of the Algerian banking sector, accounting for approximately 1% of the market share. Its emergence dates back to 1991 with the establishment of Al Baraka Bank, the first Islamic financial institution in Algeria. Further expansion occurred in 2006, when the Algerian monetary authorities granted a license to Es-Salaam Bank, an Emirati Islamic institution.

This study employs a case study approach through a structured survey conducted at the Al Baraka Bank branch in Oran. The survey specifically targets the general public clientele in order to assess their expectations, needs, and attitudes toward Islamic financial services. A key focus is placed on how the preferences of the Muslim clientele contribute to shaping the bank's strategic orientation and the broader development of Islamic finance in

Algeria.

To ensure the scientific rigor of this research, the following hypotheses were formulated:

- Al Baraka Bank holds a notable position within the Algerian banking market.
- The products offered by Al Baraka Bank are perceived as complex and relatively costly.
- Despite structural and market challenges, Al Baraka Bank holds significant potential for expansion, driven largely by the specific needs of the Muslim population.
- The increasing demand from the Muslim community serves as a driving force for the growth of Islamic finance in Algeria.

The empirical investigation relies on a non-probability sampling technique, targeting a sample of 80 customers from the selected branch, thereby providing insights into consumer behavior and the prospects of Islamic banking in the country.

2.3.1 Implementation of the Survey

The empirical investigation was carried out through a structured questionnaire, meticulously designed to ensure clarity and accessibility for all respondents. In drafting the questions, particular attention was paid to the use of simple, non-technical language to prevent any misinterpretation or ambiguity. Given the complexity and specificity of Islamic finance as a subject, the data collection process was conducted via direct, face-to-face interviews. This method was chosen not only for its proven effectiveness in qualitative research, but also for its capacity to foster a more engaging interaction with participants. Face-to-face interviewing allowed for the clarification of any uncertainties during the conversation, ensured better respondent understanding, and encouraged more thoughtful and precise answers. Furthermore, this approach facilitated a more trusting environment, increasing the reliability of the responses and minimizing the risk of non-response bias.

2.3.2 Method of Analysis and Interpretation of the Results

The data collected through the survey were subjected to a quantitative analysis using the Chi-squared (χ^2) test. This statistical method is particularly

suited for examining relationships between categorical variables, allowing us to assess whether observed differences in the responses are statistically significant. The Chi-squared test helped to determine the strength and nature of associations between key variables such as customer perceptions, satisfaction with Islamic banking products, and demographic characteristics. To reinforce the robustness of our results, we calculated p-values for each comparison, which enabled us to evaluate the significance levels of the tested hypotheses. A p-value less than 0.05 was considered statistically significant, indicating that the observed relationships were unlikely to be due to chance. This analytical framework provided a solid empirical foundation for interpreting customer behavior and attitudes toward Islamic finance in the Algerian context.

3. Results

3.1 3.1 Demographic Profile of Respondents

Table 1 provides a detailed overview of the demographic composition of the sample population (N=374), including variables such as gender, age, occupational category, and year of joining the bank. A significant majority, 79.73%, were individual customers, indicating a dominant retail presence and strong individual demand for Al Baraka Bank's products. Regarding the year of customer acquisition, 2017 stands out, with 37.84% of participants joining during this period, suggesting a peak in public interest or effective marketing campaigns. The trend from 2014 to 2017 reveals steady growth in new customers, reflecting an increasing acceptance of Islamic financial services.

From a statistical perspective, gender ($p = 0.0001$), age ($p = 0.004$), and occupational category ($p = 0.00002$) show significant associations, implying that the distribution of these variables is not random. These findings suggest that demographic factors—especially professional status and gender—play a crucial role in determining engagement with Islamic banking services.

3.2 Analysis of Customer Responses

3.2.1 Main Motivations Behind Choosing Al Baraka Bank

As illustrated in Table 2, the primary motivation for choosing Al Baraka Bank is its adherence to Islamic principles, cited by 64.86% of respondents. This

reflects a strong alignment between the bank's Sharia-compliant framework and customers' religious and ethical preferences. Meanwhile, 21.62% of customers selected the bank for its product affordability, underscoring the importance of competitive pricing in customer retention. Additionally, 13.51% valued the quality of service, highlighting operational efficiency as a complementary factor. The Islamic identity of the bank was statistically significant ($p = 0.0016$), confirming its central role in attracting customers.

3.2.2 Services Subscribed by Customers

Table 3 examines the types of services utilized. Cash transactions account for 41.89% of the services, while credit services represent 58.11%. This indicates a near-balanced use of both service types, suggesting a diversified customer need. The p-value of 0.7500 indicates no significant difference between the preferences, reinforcing that both cash and credit offerings hold equal importance in the bank's portfolio.

3.2.3 Customer Satisfaction with Service Speed

Table 4 explores customer satisfaction concerning service speed. A notable 70.27% of respondents reported being satisfied, and 18.92% expressed high satisfaction. Only 10.81% indicated dissatisfaction. Although the p-value (0.118) shows no strong statistical correlation, the high proportion of satisfied customers suggests that efficient service delivery is a key strength of the bank. Further analysis could explore whether specific customer segments experience faster service or if wait times vary by transaction type.

3.2.4 Customer Perception of Product Pricing

According to Table 5, customer views on product pricing are varied. While 35.14% perceive the products as affordable, 43.24% find them costly, and 21.62% describe them as very expensive. Though the p-value (0.0981) does not confirm statistical significance, the diverse responses suggest differing perceptions based on income level, financial literacy, or comparison with conventional banks. Future studies could explore whether product complexity or limited transparency contributes to the perception of high costs.

3.2.5 Differentiation between Al Baraka Bank and other banks

Table 6 highlights the factors that differentiate Al Baraka Bank. A large portion, 66.67%, cited the application of Sharia principles as the bank's

defining characteristic, reaffirming its Islamic identity. "Mutual trust" was emphasized by 28.89% of respondents, with a statistically significant p-value (0.0004), underscoring the importance of customer-bank relationship quality. In contrast, only 4.44% pointed to staff competence, suggesting that while professionalism is valued, it is not the bank's main differentiator in the eyes of its clients.

3.2.6 Customer Understanding of Islamic vs. Conventional Banking

Table 7 addresses the perception of Islamic banking in relation to conventional banking. A slight majority (55.41%) see Islamic banking as similar to its conventional counterpart, perhaps due to overlaps in service structure or unfamiliarity with underlying principles. The remaining 44.59% recognize a clear distinction, emphasizing the unique ethical and legal foundations of Islamic banking. The high p-value (0.8648) reflects no statistically significant difference, but the responses reveal a need for greater public awareness about the specificities of Islamic financial practices.

4- CONCLUSION

The rise of ethical finance on a global scale reflects a growing inclination toward financial systems grounded in human, social, and moral values. In this evolving landscape, Islamic finance has emerged as a relevant response to the demands of individuals seeking financial solutions that comply with religious principles, particularly the prohibition of interest (riba). Globally recognized by European and American central banks, Islamic finance offers three core instruments: **Ijara** (leasing), **Murabaha** (cost-plus sale), and **Musharaka** (partnership or joint venture).

Within Algeria, **Al Baraka Bank** stands as the first Islamic bank established through a partnership between the state-owned **BADR Bank** and the **Al Baraka Group**. Despite its pioneering role, the bank operates within a predominantly conventional financial environment. This situation poses significant challenges, notably the need to adapt Islamic products to existing regulatory frameworks, which sometimes leads to a convergence in form and function between Islamic and conventional banking products. As a result, customer perceptions of differentiation may be weakened, as reflected in the

survey results.

To address these challenges and unlock the full potential of Islamic finance in Algeria, **several strategic recommendations** can be made:

1. **Policy-Level Interventions:** Policymakers should establish a dedicated legal and regulatory framework tailored to the specificities of Islamic finance. This includes clearer guidelines for profit-sharing models, tax treatment of Sharia-compliant instruments, and transparent governance of Sharia boards.
2. **Institutional Support:** It is crucial to establish **research and training centers** specializing in Islamic finance. These institutions would play a central role in conducting in-depth studies on risk management, legal harmonization, and product innovation. They would also serve as hubs for capacity building, offering expertise to banks, Islamic investment funds, and financial regulators.
3. **Standardization and Innovation:** Islamic financial institutions must work toward greater standardization of contracts and operational procedures, while also fostering innovation to develop competitive, Sharia-compliant products that meet modern customer needs.
4. **Human Capital Development:** A continuous investment in talent acquisition and training is essential. Efforts should be made to attract and retain qualified professionals with dual expertise in conventional finance and Sharia law to strengthen institutional capacity.
5. **Customer-Centric Strategies:** Banks should deepen their understanding of customer expectations—particularly regarding product pricing, perceived authenticity, and service quality—by investing in ongoing market research and feedback mechanisms.

Future Research Directions

While this study provides valuable insights into customer perceptions and usage patterns of Islamic banking products, **future research** should explore several additional areas:

- **Comparative analyses** of customer satisfaction between Islamic and conventional banks across Algeria.
- **Behavioral studies** examining how religious beliefs, socio-economic status, and financial literacy influence Islamic banking adoption.

Challenges in the Expansion of Islamic Banking in Algeria: A Case Study of "Banque Al-Baraka" Company

- **Impact assessments** of regulatory reforms on the operational performance of Islamic banks.
- **Qualitative research** involving interviews with bank managers and Sharia board members to better understand internal decision-making dynamics.

In conclusion, Islamic finance in Algeria is at a critical juncture. With appropriate support from policymakers, practitioners, and academics, it can evolve into a robust, inclusive, and competitive component of the national financial system, offering sustainable and ethical alternatives to a diverse client base.

5. Bibliography List :

- Abasimel, N. (2023). Islamic Banking and Economics: Concepts and Instruments, Features, Advantages, Differences from Conventional Banks, and Contributions to Economic Growth”, . *doi: 10.1007 Journal of the Knowledge Economy, Vol. 14 No. 2, .*
- Alam, N. G. (2017). “The Religious Foundations of Islamic Banking”, in Alam, N., Gupta, L. and Shanmugam, B. (Eds.), . *Islamic Finance: A Practical Perspective, Springer International Publishing, Cham,, doi: 10.1007/978-3, pp. 17–34.*
- Alhammadi, S. A. (2022). Analysing Islamic banking ethical performance from Maqāṣid al-Sharī‘ah perspective: evidence from Indonesia”, . *Journal of Sustainable Finance & Investment, Taylor & Francis, Vol. 12 No. 4,, pp. 1171–119.*
- Al-Jarhi, M. (2017). An economic theory of Islamic finance”,. *ISRA International Journal of Islamic Finance, Emerald Publishing Limited, Vol. 9 No. 2, , pp. 117–132, doi: 10.1108/IJIF-07-2017-0007.*
- Anwer, Z. K. (2020). “Sharī‘ah-compliant central banking practices: lessons from Muslim countries’ experience”, . *ISRA*

- International Journal of Islamic Finance, Emerald Publishing Limited, Vol. 12 No. 1,, pp. 7–26, doi: 10.1108/IJIF-*
- Bilgin, M. D. (2021). Economic uncertainty and bank stability: Conventional vs. Islamic banking”, . *Journal of Financial Stability, Vol. 56,, p. 100911, doi: 10.1016/j.jfs.2021.100911.*
- Center”., G. I. (accessed 4 August 2023). *available at:*
<https://www.worldbank.org/en/programs/global-islamic-finance-development-center>.
- Example”., “. B. (accessed 4 August 2023). (n.d.). *Investopedia, available at:*
<https://www.investopedia.com/terms/i/islamicbanking.asp> .
- Fatmawati, D. A. (2022)). “Shariah governance in Islamic banks: Practices, practitioners and praxis”, . *Global Finance Journal,, Vol. 51, p. 100555, doi: 10.1016/j.gfj.2020.100555.*
- Financing - Overview, T. a. (s.d.). *available at:*
<https://corporatefinanceinstitute.com/resources/capital-markets/financing/> , accessed 4 August 2023.
- Hailu, S. a. (2020). Interest Free Banking in Ethiopia: Prospects and Challenges. *International Journal of Islamic Economics and Finance Studies, Politik Ekonomik ve Sosyal Araştırmalar Merkezi, Vol. 6 No. 2, , pp. 119–137, doi: 10.25272/ij.*
- Hanif, M. (2014). “Differences and Similarities in Islamic and Conventional Banking”, *SSRN Scholarly Paper, Rochester, NY, 26 April.*
- Hassan, M. A. (2021). “Islamic microfinance: A bibliometric review”., *Global Finance Journal, Vol. 49,, p. 100651, doi: 10.1016/j.gfj.2021.100651.*
- Hassan, M. K. ((2021)). Islamic Finance and Sustainable Development : A Sustainable Economic Framework for Muslim and Non-Muslim Countries, . “*Islamic Finance: A Literature Review*”.
- Human well-being, m. a. (s.d.). *available at:*
<https://www.emerald.com/insight/content/doi/10.1108/IES-07-2020-0026/full/html>.
- Islamic Finance”. (n.d.). World Bank, T. ., (accessed 4 August 2023)). *available at:*

Challenges in the Expansion of Islamic Banking in Algeria: A Case Study of "Banque Al-Baraka" Company

<https://www.worldbank.org/en/topic/financialsector/brief/islamic-finance>.

- Jubilee, R. K. (2021). Do Islamic versus conventional banks progress or regress in productivity level?", *Future Business Journal*, Vol. 7 No. 1, p. 22, doi: 10.1186/s43093-021-00065-w.
- Kahana, E. B. (2013). Altruism, Helping, and Volunteering: Pathways to Well-Being in Late Life. *Journal of Aging and Health*, Vol. 25 No. 1, pp. 159–187, doi: 10.1177/0898264312469665.
- Khatat, M. (. (accessed 4 August 2023). Monetary Policy in the Presence of Islamic Banking", IMF, . available at: <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Monetary-Policy-in-the-Presence-of-Islamic-Banking-43812>.
- Mergaliyev, A. A. (2021). Higher Ethical Objective (Maqasid al-Shari'ah) Augmented Framework for Islamic Banks: Assessing Ethical Performance and Exploring Its Determinants", . *Journal of Business Ethics*, Vol. 170 No.
- Miah, M. a. (2017)). Efficiency and stability: A comparative study between islamic and conventional banks in GCC countries", . *Future Business Journal*, Vol. 3 No. 2, , pp. 172–185, doi: 10.1016/j.fbj.2017.11.001.
- Mohd Jaffar, M. (2010). Mudharabah and musyarakah models of joint venture investments between two parties", 2010 International Conference on Science and Social Research (CSSR 2010),. presented at the 2010 International Conference on Science and Social Res.
- Nouman, M. a. (2023). "The Applications of Participatory Finance", in Nouman, M. and Ullah, K. (Eds.),. *Participatory Islamic Finance: Ideals, Contemporary Practices, and Innovations*, Springer Nature, Singapore, , pp. 103–120, doi: 10.1007/978-981.

Table 1: Demographic characteristics of participants

Variables		N	Percentage	<i>p</i>-value
Sex	Male	32 0	86.49%	0.0001
	Wom en	50	13.51%	
	Total	37 0	100%	
Age	20-35	55	14.86%	0.004
	35-50	17 5	47.30%	
	50-75	14 0	37.84%	
	Total	37 0	100%	
Professional category	Partic ular	29 5	79.73%	0.00002
	Entre prene ur	75	20.27%	
	Total	37 0	100%	
Year of residence	Befor e 2014	25	6.76%	0.999
	2014	40	10.81%	
	2015	50	13.51%	
	2016	95	25.68%	
	2017	14 0	37.84%	
	2018	20	5.41%	
	Total	37 0	100%	

Challenges in the Expansion of Islamic Banking in Algeria: A Case Study of "Banque Al-Baraka" Company

Table 2: Factors influencing customer satisfaction in Islamic banking

Variables	N	Percentage	<i>p</i>-value
The application of the Islamic regime	240	64.86%	0.0016
The quality of service delivery	50	13.51%	
Products are cheaper	80	21.62%	
Total	370	100%	

Table 3: Distribution of transaction types in Al Baraka Bank

Variables	N	Percentage	<i>p</i>-value
Cash transaction	155	41.89%	0.7500
Credit operation	215	58.11%	
Total	370	100%	

Table 4: Customer satisfaction with service speed levels in Al Baraka Bank

Variables	N	Percentage	<i>p</i>-value
Unsatisfied	40	10.81%	0.118
Satisfied	260	70.27%	
Very satisfied	70	18.92	
Total	370	100%	

Table 5: Perceived cost of Al Baraka bank products

Variables	Frequency	Percentage	<i>p</i>-value
Cheaper	130	35.14%	0.0981
Dear	160	43.24%	
Very expensive	80	21.62%	
Total	370	100%	

Table 6: Factors influencing customer perception and differentiation of Al Baraka Bank

Variables	Frequency	Percentage	<i>p</i>-value
mutual trust	65	28.89%	0.0004
Staff competence	10	4.44%	
The application of Sharia principles	150	66.67%	
Total	225	100%	

Tale 7: Perception of Islamic banking vs. Conventional banking

Variables	N	Percentage	<i>p</i>-value
Yes	205	55.41%.	0.8648
No	165	44.59%	
Total	370	100%	