

Parallels and tensions among Christian and Islamic banking



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Over recent decades, Islamic banking has experienced substantial global growth, with assets under management reaching approximately USD 3.24 trillion, while the Christian community has not developed a comparably operationalised banking paradigm. This study examined the parallels and tensions between Christian and Islamic banking, both grounded in deontological ethics derived from Abrahamic traditions, to assess whether Christian banking could serve as an independent, ethically driven framework alongside Islamic banking. The objective was to determine whether Christian banking, as articulated within the Reformed tradition, represented a distinct model in its approach to areas of engagement, charging interest, and applying risk management, or whether alignment with the established Islamic paradigm would suffice. The scope of the study included doctrinal, historical, and practical considerations, with emphasis on their respective ethical underpinnings. A comparative theological-ethical methodology was employed, drawing on primary religious texts, doctrinal interpretations, and relevant secondary literature. Historical development and contemporary practice were reviewed for each paradigm. Three thematic domains were examined in detail: (1) the determination of permissible areas of engagement; (2) the ethical treatment of interest; and (3) the moral framing of risk-taking. The findings revealed that Islamic banking applied a negation-based framework, grounded in Sharia, which prohibits specified economic activities and the charging of interest [*riba*], while promoting risk-sharing partnerships and restricting speculative practices under the principle of *gharar*. In contrast, Christian banking adopted a constructive, Christ-imitating ethos that encouraged proactive societal participation, permitted interest within equitable bounds, and endorsed responsible risk-taking as part of stewardship obligations. Both paradigms emphasise social responsibility, ethical integrity, and the protection of weaker stakeholders, thus diverging significantly from secular ESG models. The study concluded that, despite shared ethical origins, the paradigms diverged substantially in structure and application. Islamic banking's prescriptive restrictions provide operational clarity but limit market flexibility. Christian banking's constructive approach requires greater practitioner discretion yet allowed broader participation in global markets using accepted interest-bearing products and calculated risk-taking. Consequently, Christian banking appears potentially more adaptable to diverse economic contexts while maintaining its ethical commitments.

Contributions: This research contributed to the field of ethical finance by providing the first comprehensive comparative analysis of Christian and Islamic banking paradigms from a deontological perspective. It demonstrated that Christian banking constitutes a distinct, independent model with unique theological and operational foundations, offering an alternative ethical framework capable of enriching global faith-based finance.

Keywords: Islamic banking; Christian banking; ethical finance; deontological ethics; Sharia compliance; interest (Riba); risk management; Pastoral banking; ESG movement; religious ethics.

Introduction

Over the last four decades, the Islamic banking paradigm – often referred to as Sharia banking – has undergone significant modern development and achieved remarkable growth within the financial sector. As of 2022, the global Islamic finance industry held total assets of approximately USD 4.5 trillion, with Islamic banking accounting for about 70% of these assets, equating to roughly USD 3.24 trillion. Projections indicate that the total assets of the Islamic finance industry could reach USD 6.7 trillion by 2027 (Hasan & Mohamed 2024; Mohamed 2024). Despite this renewed interest in embedding religious ethicality within banking, the Christian community has not responded with a correspondingly operationalised banking paradigm grounded in

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Christian values. On the contrary, Christian realm has largely reflected either a laissez-faire attitude towards banking or tendency to view the sector as too problematic to engage with. However, there has been an emerging interest in applying Christian ethics to banking, with some early attempts to formulate a comprehensive Christian banking paradigm akin to that of Islamic banking (Bøsterud 2021; Bøsterud & Vorster 2019). While increased augmentation of Christian interest among banking actors within traditionally Christian societies is not assumed, the growing influence of the ESG movement (Environmental, Social and Corporate Governance), may act as a significant motivating factor. The ESG movement largely appears to be based on secular moral values, often rooted in consequentialist ethical positions. In this article, it will be assumed that the concept of Christian banking, as described and posited by Bøsterud (2021), represents one of the most comprehensive attempts to establish a Christian-ethical counterpart to the established and widely respected Islamic banking paradigm. Thus, despite the lack of formal use, the term 'Christian banking' will refer throughout this article to Bøsterud's paradigmatic concept of Christian-ethical banking practices (2021).

As of 2022, the Islamic finance industry held total assets of approximately USD 4.5 trillion, with Islamic banking comprising around 70% of this figure, amounting to roughly USD 3.24 trillion. Projections suggest that the total assets of the Islamic finance industry could reach USD 6.7 trillion by 2027 (Hasan & Mohamed 2024; Mohamed 2024).

As both Islam and Christianity are Abrahamic religions, it will be useful to assess the potential parallels and tensions between their respective deontologically based banking paradigms. Of particular interest is whether Christian banking can establish an independent place alongside Islamic banking. This involves determining whether it is worthwhile for the Christian community to pursue a Christian-ethical path for banking praxis, or whether alignment with the already extant operationalised standards of Islamic banking standards would suffice. While certain differences and tensions are anticipated, several parallels should also be expected due to the traditions' shared religious roots. Thus, the Christian banking paradigm is independent of the Islamic model, with its true independent application.

The following discussion will focus on several core concerns identified as important within both paradigms. Addressing these should suffice to construct a foundation for developing a clear and useful understanding of the two paradigms, their principal parallels and tensions. The following will elucidate whether the Christian banking paradigm represents an independent and unique framework when contrasted with the Islamic banking paradigm.

Furthermore, the discussion will clarify the acceptable areas of engagement, how each paradigm approaches the charging interest, and how they address the use and management of risk. It will be argued that Christian Banking represents a banking paradigm based on ethical values, which is

independent of, and a free-standing alternative to the Islamic banking model.

Paradigmatic backgrounds

Islamic banking

Islamic banking has deep historical roots dating back to the mediaeval period (Chachi 2005; Hosseini 2008). Its contemporary form emerged in earnest in the 1970s. The first modern Islamic bank, Dubai Islamic Bank, was established in 1979, followed by the first Sharia-compliant investment fund, the Amana Income Fund, in 1986 (Jamaldeen 2012).

The core foundation of Islamic banking philosophy lies in the belief that everything in the world belongs to Allah, and that human interaction with material goods must align with God's planned design as stated by the Prophet Muhammad (Abdul-Rahman 2010). With God being the lawgiver, the path of Sharia must be followed to avoid falling into servitude to anyone but God. Sharia stipulates humanity's relationship both with God and with each other. The Quran remains the sole foundational Sharia text, with the following main stated principles: (1) the interest of individuals are secondary to those of the wider society; (2) promoting welfare and alleviating suffering are foundational, with the alleviation of suffering taking precedence over well-being; (3) It is unacceptable to incur a greater loss in order to avoid a lesser one, or to forfeit a greater benefit for the sake of a smaller one; and (4) a smaller loss may be imposed to prevent a greater loss, and a smaller benefit may be ceded in favour of a greater one. The Quran is aided by the so-called Sunnah, a secondary source of substantial importance for Sharia, which is founded on Prophet Muhammad's exemplary life practices (Kettell 2011). From this ethical framework, it has developed an updated and modern banking system, where all the banking needs of contemporary economic life are met. Several of these Islamic banking practices are not synchronous with modern Western banking practices or structures (Abdul-Rahman 2010).

Christian banking

Following the Reformation, Christian societies and churches paid insignificant attention to the banking sector, and where involvement has occurred, it has typically focused on alleviating their own organisational financial needs. One example is the Institute for Religious Works (IOR), frequently referred to as the Vatican Bank, which was established in 1942 with the goal of managing the Catholic Church's own assets (IOR n.d.). Despite the IOR institutional affiliation with the Catholic Church, its activities have been conducted without visible presence of, or adherence to any Christian moral code as perceived by the outside world. Indeed, the IOR has been implicated in several international financial scandals (Posner 2015). Several banks claim to adhere to Christian moral norms, but frequently, such claims are solely to grab the attention of potential Christian customers. For example, the UK domiciled Reliance Bank, an organisation affiliated with the Salvation Army, has its main stances on

business ethics closely alongside the secular ESG movement (Reliance Bank n.d.). Using, or abusing, Christianity for pure marketing purposes does not render a bank 'Christian', and the two mentioned banks are only stated examples.

As an ethical banking concept, Christian banking is in its very early stages, if existing in practice at all. The preceding examples illustrate some aspects of the Christian banking market in the practical sphere, yet in academia discourse, there are only limited signs of an established paradigm. However, a thorough development of a Christian-ethical banking paradigm based on Scripture is found in Bøsterud (2021), which will here be defined as 'Christian banking'. Although this presentation is based in the Calvinistic or Reformed tradition, it is assumed to hold relevance for most Christians, as it will be difficult to envisage major different ethical solutions pertaining to banking among different Christian denominations (Gustafson 1989; Kerkhofs 1994).

Areas of engagement

When traversing the complex realm of banking and finance through a lens of religious moral norms, a prudent starting point is to clarify how and why potential areas of banking are determined. Only by understanding the practical scope and applicability within the practical scope can the various financial products and ethical boundaries be evaluated. In both paradigms, the presence of supervisory organisational bodies is assumed that will instruct the practicing professionals how to align practice with the respective ethical foundations. Within Islamic banking, it is the Sharia Board's responsibility, while in Christian banking it is assigned to the Supervisory Board (Bøsterud 2021; Maali, Casson & Napier 2006).

Islamic banking

Islamic banking is based on the Islamic value system, as derived from the Quran, the Sunnah and Islamic legal system, Sharia. These sources provide a broad and comprehensive moral guidance that is useful for Islamic bankers and represent a sound foundation for a morally benign engagement in economic life. Central points will induce banking to promote strong social values, and to avoid any practices that might harm society or the individual (Kettell 2011).

Negation based systematic

In addition to complying with secularly motivated legal constraints, Sharia will inform the scope of banking activities. Within Islamic banking, a systematic method of negation is applied, whereby specific banking categories are explicitly prohibited. To the untrained observer, such a negation-orientated methodology gives the impression that everything not explicitly forbidden is permissible. However, there remain several grey areas open to interpretation, and for the day-to-day banking practitioners, consulting the Sharia Board for guidance are advised. Examples of forbidden business areas and/or investment categories include the

following: (1) conventional Western style, non-Sharia-compliant banking activities; (2) the production of alcohol and related activities; (3) production of pork and pork-based products; (4) any production involving dead animals not slaughtered according to Sharia law (*halal*); (5) gambling and related services and products; (6) production of recreational drugs, tobacco and associated activities; (7) pornography, prostitution, the adult entertainment industry, and related activities; (8) arms and weapons of mass destruction; and (9) certain biomedical activities and products such as cloning. The list needs to be used as starting point only, but it does mention a few main categories to be avoided (Jamaldeen 2012; Kettell 2011).

Christian banking

The Christian banking paradigm is firmly grounded in Scripture. For the Christian banking professional, the Bible will suffice as a guide, but as within the Islamic paradigm, the sources will frequently require interpretation to determine appropriate application in a modern-day banking context. Such exegesis for practical application is complicated by the fact that Scripture was written over a period of 2000 years (approximately 1850 BC–AD 150), with references to real, contemporary contexts.

Constructive approach

When seeking scriptural guidance applicable to modern banking, numerous seemingly fitting scriptural sources and passages are distributed throughout both testaments. As with all exegesis, the reader needs to be attentive to context and the overall purpose behind each interpretation. Among Christian ethicists, there is a prevailing tendency to focus on actions and behaviours that may be clearly forbidden, as opposed to seeking what is beneficial and constructive. For example, Geisler (2010) represents this school of thought, with significant parts of his authorship relating to what is not an acceptable conduct, all derived from Scriptural sources. This school of thought renders the reader a feeling that refraining for action is often the best moral option. By contrast, a few Christian ethicists focus on active engagement in society for purposes of societal betterment (e.g. Bøsterud 2019; Vorster 2007).

Vorster (2007) attains a soteriological constructive perspective on Scripture, calling Christians to imitate Christ and live in gratitude. Followers of Christ are urged to take up his yoke (Mt 11:29, NIV), to wash the feet of fellow disciples (Jn 13:12–17), and to love each other as Christ loved them (Jn 13:34). Vorster (2007) develops this productive pastoral-ethical position from Philippians 2:5–11:

Have this attitude in yourselves which was also in Christ Jesus, who, although He existed in the form of God, did not regard equality with God a thing to be grasped, but emptied Himself, taking the form of a bondservant, and being made in the likeness of men. Being found in appearance as a man, He humbled Himself by becoming obedient to the point of death, even death on a cross. For this reason also, God highly exalted Him, and bestowed on Him the name which is above every name, so that

at the name of Jesus every knee will bow, of those who are in heaven and on earth and under the earth, and that every tongue will confess that Jesus Christ is Lord, to the glory of God the Father.

The passage powerfully expresses the Christian pastoral attitude that forms the basis for core principles in Vorster's constructive Christian-ethical pastoral approach (2007). In summary, the position can be outlined as follows:

- *Love* – cultivating an attitude of agape, an all-inclusive love.
- *Stewardship* – adopting a Christ-imitating servanthood.
- *Self-denial* – embracing humility and self-denial.
- *Obedience to God* – living faithfully in accordance with the will of God.

The proclaimed cornerstone ethos in Christian banking is grounded in Vorster's constructive Christian ethical and pastoral model (2007), which serves as a complement to other principles for scriptural interpretation, and is always considered relevant and in any context. Implementing this model requires substantial effort to practice and presupposes a sound understanding of both Scripture and banking. Thus, however appealing a negation-based methodology may appear to the untrained eye, such a systematic handling would not align with Christ-affirming principles of love as involved in the constructive model. On the contrary, only by interpreting Scripture with a Christ-imitating attitude can the practitioner locate prudent scriptural sources and apply them within a modern banking context. It is understood that this can be a substantial task for the average banker, and this is where the Supervisory Board enters the arena, taking full responsibility for the ongoing banking practice of their organisations. In applying this constructive model, the banking professional's task is not to avoid undesirable moral practices based on a fixed taxonomy. Instead, the banker is called to identify areas that promote a benign impact on both society and the individual – something that cannot be standardised any more than it is possible to standardise a Christ-imitating, life-affirming attitude. Over time, the practice of Christian banking may cultivate greater ethical clarity and appreciation within the banking community, positioning Christian banking as a credible and a superior alternative to the secular ESG-driven models. Christian banking, like the biblical foundation on which it is built, offers solutions for participation in banking on an unlimited scale across a wide field of practice. Therefore, as long as this paradigm is not constrained by negation-based systematics, it holds the potential to expand, develop, and contribute meaningfully to improved moral and material societal conditions.

Systematic divide

The paradigmatic tensions surrounding the selection of engagement areas are substantial. Within its negation-based methodology, the Islamic paradigm tends to close off markets and clients without contextual discretion. It relies on a mechanistic, top-down process with limited practitioner agency. The negation-based model does not focus on

constructive societal participation, but rather on abstention. On the positive side, this approach provides practitioners with a straightforward framework, as it requires minimal discretion on their side. The Christian paradigm adopts a participatory constructive approach, offering practitioners more flexibility in engaging with society, but it could be more demanding. As the model always remains open for contextual discretion and built on Christian didactic principles, it instils practitioner agency through active participation. As Christian banking adopts a constructive and participatory approach for the betterment of society, it allows provision for finance across diverse markets by pursuing infrastructure financing in the developing world, education, healthcare, and other socially beneficial sectors. The key insight Christian paradigm draws from the Islamic paradigm is simplicity and ease of practice. However, despite its involved model, the Christian paradigm also has alleviating tenets, and through practice, bankers can acquire practical utilisation within their respective fields. It is important to recognise that simplicity is not a value in itself; rather, the quality of results carries overriding importance. Furthermore, it must be emphasised that the systematic differences between the two paradigms does not imply a relative qualitative judgement.

Charging interest

Both paradigms accept moneylending as ethically sound, however each imposes substantial limitations, which will not be further discussed here. As perspectives on interest differ, this remains a significant point for the juxtaposition of the two banking paradigms (Bøsterud 2021).

Islamic banking

Sharia prohibits to determine loan repayments in a way that will exceed the original loan principal. This prohibition relates to the concept of *riba*, a foundational principle in Sharia, which states that charging interest is forbidden for Muslims (Ariff 1988). Prohibiting *riba* has led to the development of several lending and leasing structures within Islamic banking, designed to ensure that financially less privileged individuals retain access to financing when purchasing substantial assets, such as homes, vehicles and more (Jamaldeen 2012). The concept of profit-and-loss sharing is found at the core of Islamic banking; whereby participating partners share in these aspects of financial arrangements. This principle is grounded in the Islamic inducement on investing capital, rather than allowing it to remain idle and hoarded. The ethos here is reflected in the formation of a partnership between borrower and lender as opposed to the conventional Western banking model focused on loans, with its lender-borrower relationship. By establishing such partnership-based structures, the lender is compensated for granting the borrower access to funds in a fashion performed void of interest charging. Sharia informs that the lending 'partner' may only receive compensation if the financial underlying reality involves a character of risk sharing (Kettell 2011). Consequently, such a partnership model replaces the traditional loan agreement that charges

interest as necessary so that the lender can be rewarded under the arrangement.

In Islamic philosophy, the concept of money resonates with an Aristotelian ethos, viewing money primarily as a medium for commercial exchange and payment performance without any intrinsic value. Thus, money is perceived as potential capital rather than capital in and of itself. From this principle it is derived that money may only represent capital for its owner when it is put in practical use. This correlates with Sharia's prohibition on hoarding and serves to motivate capital owners towards active capital engagement and investment in society – something that could be undermined by permitting interest-bearing financial structures (Ahmad & Hassan 2007). As the prohibition on charging interest is deeply rooted in Sharia, Islamic banking cannot utilise Western-style interest-bearing structures and products. As a result, Islamic banking practice and products have evolved in a direction where the relationship between the actors is viewed in a more holistic perspective in contrast to many traditional Western banking systems, where the stronger parties have exploited the weaker ones within an 'every-person-for-themselves' environment.

Christian banking

After reviewing the Sharia prohibition on charging interest, it will be important to determine whether the charging of interest is acceptable as according to scripturally founded Christian ethical and pastoral principles. Before delving deeper into the subject, it would be useful to present the terms 'interest' and 'usury' in detail. In the current economic reality, a typical way to define interest might be 'to charge payment for lending money or extending credit to a third-party, frequently expressed as a monthly or annual percentage rate'. In terms of usury, modern society would often view it as when interest is charged at a rate so high that it appears exploitative. In the pre-Reformation Christian era, 'usury' was systematically used synonymously with 'interest', and the mainstream theological position was that interest was forbidden, making any use of interest immoral. For the purposes of this study, usury may be defined as 'the lending of money against exorbitant interest levels'. Usury and interest are therefore defined in opposition to each other.

The Old Testament contains several passages describing the charging of fellow countrymen in need as immoral (e.g. Ex 22:25; Lv 25:35–35; Dt 23:19). At the time of authorship, the prevailing perception was that if a person was able to lend to someone in need, the lender himself had been graced by God with sufficient provision, and this carried with it an obligation to extend generosity to friends and neighbours. To refrain from sharing such blessings by charging interest was therefore forbidden regardless of the level of interest charged. This understanding reflects the notion that the charging of interest would increase the burden of the borrower (Chewning 1995). This restrictive position was already modified in Old Testament passages if loans were given in business, which follows Exodus 22:25, with its antithetical

statement that if the loan is not 'a business deal' the lender should 'charge no interest'. Thus, in a business loan situation, no immorality was perceived if interest was charged. Deuteronomy 25:20 further emphasises this point by stating that 'you may charge interest to a foreigner', something that often involves a business transaction, where family aspects and friendships are frequently removed from the agreement, and where the borrower uses the loan as part of his business strategy as opposed to alleviating a situation of need. This view resonates with the general principle of *lex talionis*, as expressed in the Sumerian Code of Hammurabi, which explains a typical standard for claims established in the Old Testament Near East era (Kim 2011). Under this principle, if someone caused a loss to another, the responsible party needed to somehow compensate for the damage or at least provide compensation of equal value. This principle of equity is represented, for example, in Leviticus 24:19–20: 'anyone who injures their neighbour is to be injured in the same manner: fracture for fracture, eye for eye, tooth for tooth'. When engaging in interacting with other nations, the Israelites were in no position to prohibit outsiders from lending to them and from charging them interest. Consequently, the principle of equity principle allowed them to be able to charge interest in business-related circumstances, particularly when dealing with foreigners. Within such business contexts, the norm of reciprocal equity dictated that interest was permissible.

In the New Testament, a less explicit focus on matters of commerce and banking occurs. The society of the Levant during the New Testament era was vastly different from that of the agrarian Bronze Age society reflected in the early stages of Old Testament history. New Testament authorship took place during the Roman era – a period in which society had grown more complex and where the liberal Roman views on business, commerce, and private property rights permeated the entire fabric of society. A visible difference to the Old Testament ethos, where lending is assumed to occur primarily to assist those in need, the New Testament turns its focus towards those who may not be in need but who simply want to borrow. However, the teachings of the New Testament teachings are not neutral regarding business, commerce, and banking, something to which Matthew 5:42 attests when stating '[...] do not turn away from the one who wants to borrow from you'. Moreover, Luke 6:34–35 offers a universal perspective by encouraging believers to lend to anyone – their enemies included. This because it follows logically that if lending may be extended even to enemies, this could be reasonably interpreted as applying to anyone. Applying such a universal perspective within the commercially complex Roman world, with its diverse nationalities and multiple currencies, aligns well with core New Testament teachings on pastoral inclusiveness. On a superficial level, it may be tempting to interpret the parallel narratives of Mark 11:15 and Matthew 21:12 in which Jesus cleansed the temple of moneychangers and infer from this that financial dealings and banking should

be regarded as immoral or morally questionable. However, such an interpretation would remove the passage from its proper context, as it is clear from the connected texts in both Gospels that Jesus's intention was to castigate those who had corrupted the temple by diverting it from its intended religious purpose. Matthew 21:13 and Mark 11:17 both state, 'My house will be called a house of prayer' (Dale 2007).

Two New Testament passages pertaining to banking warrant specific attention. Matthew 25:14–30 and Luke 19: 11–27 both recount the narrative of a wealthy master preparing to embark on a journey, who entrusts varying amounts of money (as explicitly distinguished in Matthew) to his servants during his absence. Upon his return, the master learns that his servants had managed the funds differently: two of them made a profit, while the third had refrained from investing the money and merely returned the same amount as given. In both accounts, the master disciplined the third servant for failing to act productively and rewarded the other two for their initiative to make investments. Both versions of the parable include the master's statement to the non-investing servant: 'you should have put my money on deposit with the bankers, so that when I returned, I would have received it back with interest' (Mt 25:27; Lk 19:23, with a slight variation). It would be a strained interpretation of these parables not to infer otherwise than that the earning of interest was a commendable business practice, not merely as something permissible. The acceptance of charging interest follows not only from the explicit wording of the texts but also aligns well with the New Testament universalism within the context of Roman society with its complex social and commercial life.

Leaving the medieval era, the church retained a stagnant perspective on society's economic activity based on Catholic thought, where focus remained on the mere distribution of material benefits rather than on contributing to the complex goods and services production of the era's evolving economic realities. The perception of money continued to operate within a pattern of pre-modern society, where feudal Europe served as an acceptable yardstick with disregard for the darker aspects of feudalism (Novak 1990). The doctrine of the medieval church upheld the view that the charging interest was immoral at any and every level.

With the Reformation came a renewed interest among Christian thinkers in societal participation and economic engagement. As part of this engagement, the doctrine of interest – traditionally condemned as usury – was subjected to scrutiny and analysis by seminal Reformed theologians. In the early stages, Martin Luther remained aligned with the medieval church's position on interest, and, at this stage, he staunchly maintained that any form of interest-charging was immoral (Luther 1524). In contrast, Calvin with his intense societal engagement adopted a more accommodating stance of interest, and his theorising contributed significantly to the introducing of charging interest as acceptable in broader Christian doctrine.

Based on the equity principle in Matthew 7:12, Calvin argued that interest in banking and credit could be permissible but emphasised that the levels imposed should remain fair and just. He warned that the lender who exploited the weaker party would face judgement and punishment from God (Calvin 1852 [1563]; Wykes 2003). Calvin's position gradually gained traction within Reformed circles, and step by step, the moral division between private and commercial loans was dismantled, leading to widespread acceptance of interest-charging as both moral and part of a free market ideology (Chewning 1995; Cramp 1995). For many, Calvin is rightly regarded as the father of Protestant perceptions on capitalism, thrift, and work ethic – a view articulated by Weber (2012 [1905]).

There can be no doubt that Calvin's position on usury and the charging of interest has stood the test of time, with a full acceptance of interest-charging at non-usurious levels within the framework of mainstream Christian thought (Cramp 1995). However, it must not be forgotten that the equity principle, as expressed by the ancients and later reaffirmed by Calvin continue to be a firm moral yardstick for the ethical use of interest as social technology, indicating a commitment to keep interest rate below usurious levels, thereby staying within the bounds of what is fair and contextually equitable.

Contrary foundations

There is no common ground between the paradigms regarding the use of interest. Without the ability to utilise the banking tool of interest, the Islamic paradigm is excluded from substantial global markets. To counter this limitation, it has created products that mirror Western-style interest-based products, such as partnership and lease-to-own structures without substantive reality. These products are only effective within Islamic markets and are often criticised as inauthentic by non-Islamic actors. However, it may be argued that partner models in lieu of charging interest instils a sense of community among the actors and foster a benign climate of cooperation. On the other hand, with the ability to use interest, the Christian paradigm is positioned for participation in the global market, where it can offer recognised and accepted interest-based products for the betterment of society. Through this tool, it can secure payment to capital owners for the risks they assume without forcing them into unwelcome and awkward 'partnerships'. Furthermore, employing a well-known banking tool such as interest may facilitate the flow of capital into otherwise inaccessible markets, where borrowers expect and accept the cost of paying for the use of third-party capital, thereby placing the burden where it belongs. As the Christian paradigm protects against exorbitant interest, there is no need for inauthentic partnerships. The Christian paradigm's most important lesson to be learned from the Islamic paradigm is the appreciation of the need to protect the weaker party. However, the Christian paradigm upholds parallel tenets, as it likewise does not accept usurious interest levels, and its overarching pastoral ethos balances differences in relative strength among the parties involved.

Risk

When interrogating the banking sector through a prism of morality, adjacent areas connected to risk-taking, awareness of imposed risk, and both individual and societal financial stability are pivotal aspects to be explored. History demonstrates that banking collapses have frequently left substantial economic and social disruptions in its wake – sometimes with ramifications lasting decades. Furthermore, as with the stock market crash of 1929, not only economic unrest but also armed conflict may be attributed to the resulting financial instability (Galbraith 2009). Following the most recent banking failures of 2007 and 2008, increasing social and political instability can be observed not only within the occidental realm, but also across the globe (Krugman 2008; Varoufakis 2016). Based on these examples alone, it is a safe assumption that responsible banking, as part of a well-functioning financial sector, is essential for maintaining economic stability. Conversely, reckless banking, without proper regard for potential consequences of risk-taking, frequently leads to financial instability and destruction of social structures.

Islamic banking

Islamic banking has throughout its history included clear limitations on risk-taking, and actors operating under the Islamic paradigm are urged to exercise caution when assuming risk and to maintain an open and partner-oriented approach towards both their counterparts and the wider society. This ethos originates from Sharia, which stipulates a principal termed *gharar*, whereby speculation and risk-taking is strictly prohibited. Under *gharar*, it is required that all parties involved in a financial arrangement must have complete insight into and full understanding of all involved counter-values brought into a transaction or exchange agreement (Kettell 2011). The prohibition of *gharar* is intended to protect the relatively weaker party within a transaction. As a result, numerous categories of option contracts, speculative futures trading, and similar activities are prohibited – practices which, within a traditional Western-style banking, often constitute a mainstay (Chong & Liu 2009).

The *gharar* prohibition aligns with the broader equity principles of Islamic banking, where Sharia's ethical code serves as the overriding moral guide, instructing honesty and ensuring symmetry of information among all actors involved. Such an instruction, requiring fair and balanced information, forbids, among others, the creation of monopolies, price-fixing and market manipulations. Furthermore, it places an obligation upon all participants to volunteer and disclose sufficient information and insights for all parties to a financial arrangement, whether in lending, pledging, or security taking (Jamaldeen 2012; Kettell 2011). In adherence to *gharar*, several Sharia-compliant products have been developed, such as a particular forms of insurance contract. At the same time, *gharar* induces Islamic banking to avoid many Western-style products and practices, including options trading, day trading, and margin trading (Ariff 1988; Jamaldeen 2012).

Without delving further into Islamic thought on risk-taking and its regard for weaker parties and society at large, it is clear that the practices and ethos establish a banking approach to risk that is quite different from that of the traditional Western model.

Christian banking

It is initially useful to point out that material wealth in Scripture is regarded as a good to be enjoyed by humankind, as such goods are bestowed through the grace of God. For example, in Deuteronomy 8:18, material goods are presented as divine gifts in the statement, '[...] for it is he who gives you the ability to produce wealth and so confirms his covenant [...]'. Similarly, Ecclesiastes 5:19, declares that:

[... W]hen God gives someone wealth and possessions, and the ability to enjoy them, to accept their lot and be happy in their toil – this is a gift of God.

From the passages, it becomes clear that the human family is to receive Gods' gifts and enjoy them as a part of the covenantal obligations. That humans are also to care for these material gifts follows, for instance, from the warning against falling into poverty as stipulated in Proverbs 22:7, 'The rich rule over the poor, and the borrower is slave to the lender'. When applying this human obligation to accept, enjoy, and steward for God's material gifts within the context of banking, the involved actors are thus instructed to steward God's gifts responsibly, ensuring that these resources are not placed at risk without good reason.

The instruction regarding safe stewardship of God's material gifts does not allow humans to wait passively for these gifts to be handed to them without any personal contribution. As 2 Thessalonians 3:10 declares, 'The one who is unwilling to work shall not eat', and Proverbs 14:23 reinforces this point, 'All hard work brings a profit, but mere talk leads only to poverty'. From these passages, it must be inferred that humans carry an obligation to partake actively in the maintenance of their material wellbeing and to expect a corresponding outcome. From this understanding arises the question of what level of risks humans are expected to undertake, and indeed, whether increased risk-taking leads to increased benefits. Guidance is provided in 2 Corinthians 9:6, which states that 'Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously'. A responsible interpretation here is that humans are not instructed to remain idle and await God's gifts but rather to employ risk in seeking satisfaction of their material needs satisfaction. Furthermore, this teaching conveys that well-considered risk-taking correspond with the reward of increased material provision and fulfilment.

Supporting these quotes with regard to banking are the two previously mentioned parables of the traveling master and his servants (Mt 25:14–30; Lk 19:11–27). In these parables, the central focus lies on the risk-taking undertaken by the servants. In the parables, the servants who invested and took initiative are commended for their

personal initiative to assume risk, whereas the passive servant is admonished for his aversion and failure to risk. This is especially evident from Luke's version, where the servants receive rewards in direct proportion to their respective investments' yields. A profound summation of Scripture's position as expressed in these two parables, is found in Matthew 25:29: 'For whoever has will be given more, and they will have in abundance. Whoever does not have, even what they have will be taken from them'.

Among the early Reformed thinkers, Luther maintained a sceptical stance towards the contemporaneous forces of capitalism, as he remained entrenched in medieval patterns of thought pertaining to economic realities and was influenced by the medieval church's idealisation of poverty. For Luther, the free market forces – together with their attendant elements of risk-taking and supply-and-demand-based price setting – represented a deplorable social practice. In his reasoning, such freedoms would inevitably contribute to financial destabilisation favouring the strong at the expense of the weak (Langholm 2009; Luther 1524).

Calvin could not accept Luther's restrictive views on societal economy, and as he accepted the charging of interest, the concept of unregulated free markets – shaped by the inputs and actions of independent market actors – was not regarded as immoral. Geneva, in Calvin's time, was a diverse and multicultural environment characterised by business operations conducted among actors representing numerous nationalities, in a city renowned for its vibrant business sector. Despite accepting a business realm with liberal market practices as morally legitimate, Calvin remained a defender of society's weaker constituents and believed that a true Christian, regardless of their business skills, should always demonstrate generosity towards the weak (Calvin 2012 [1536]; Foster 2008).

Calvin's accepting attitudes towards business, finance, commerce, risk-taking, and the free market have had a substantial impact on Reformed thinking to this day. Among Reformed and mainstream Christians, the acceptance of a free market economic system – primarily influenced by the participants – can today be regarded as the prevailing position (VanDrunen 2015). As it appears, under the Christian banking paradigm, risk-taking is not only considered acceptable but viewed as an expected and desirable practice.

Opposite vantage points

There is little common ground among the paradigms on risk application. There is risk involved in the Islamic paradigm, but it is very limited. The Islamic paradigm views material goods as belonging to Allah, and thus, risk-taking with Allah's property is perceived as an abomination. Avoiding risk-taking consequently renders many speculative market opportunities inaccessible to the Islamic paradigm, including numerous trading products of the Western type. This may

result in the Islamic paradigm becoming increasingly non-innovative in meeting market expectations. On the other hand, the Christian paradigm regards material goods as gifts from God, rather than as belonging to him. Humans are required to work for earning this grace and bear a stewardship obligation over the material goods received. Contrary to the Islamic paradigm, the Christian paradigm is based on a religious inducement towards risk-taking. For Christian banking actors and capital owners, there exists an obligation to take risk and to make capital available to others in society. Therefore, avoiding risk may be considered outright sinful. The Christian paradigm participates as the practical world develops, remaining agile in creating new products and business areas, and it is driven by the market rather than the clergy. The Christian paradigm's main takeaway from the Islamic paradigm lies in recognising that shunning risk can lead to greater long-term stability for all involved parties and for society – a lesson underscored by the Islamic paradigm's proven resilience compared to Western secular banks during crises (Khan & Crowne-Mohammed 2009). However, because the Christian paradigm does not align itself with the reckless Western secular models, there is no reason to assume that Christian banking would fare worse in times of crisis than Islamic banking. In fact, the responsible use of risk would be supported by the scriptural pastoral ethos, serving as the overriding principle within the Christian banking paradigm.

Conclusion

From the above, it has become evident that similarities and differences exist between the Christian and Islamic banking paradigms. Both paradigms offer a comprehensive ethical programme for banking and financing, each of which, both together and independently, can be regarded as superior rivals to the secularly based ESG movement. This is because any banking paradigm based upon consequentialist ethics, sooner or later, will collapse into relativist cognition, offering purely opportunistic solutions. The success of the modern version of Islamic banking is remarkable and provides cause for inspiration and optimistic expectations for promoting a Christian counterpart. Despite the shared Abrahamic root source of both paradigms, it has been demonstrated that they diverge significantly, offering solutions that may appear similar on the surface but lead to vastly different outcomes in practice. Nevertheless, there are numerous similarities. From the list of prohibited engagement areas in Islamic banking, several of these areas would also be excluded from Christian banking, as they are considered detrimental to society and the individual alike. Furthermore, both paradigms share in a common goal of promoting the betterment of society based on religious belief and of protecting the weaker participant actors in the banking market. In this respect, both paradigms stand in significant superiority to the traditional secular banking model of the Western world. All in all, despite the differences and tensions outlined above, Christian banking represents a banking paradigm grounded in ethical values, which stands as an independent and free-standing framework, distinct from that of Islamic banking.

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Author's contribution

M.B. is the sole author of this research article.

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Data availability

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Disclaimer

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