

Educate customers about ISLAMIC FINANCE

In conversation with Mohammad Feroz Hossain, Managing Director and CEO, Exim Bank

There is a growing awareness and demand for Shariah-compliant financial products among Muslim populations, as well as interest from non-Muslims seeking ethical banking options.

TDS: What is the current state of Islamic banking in Bangladesh?
Mohammad Feroz Hossain (MFH): There are 10 full-fledged Islamic banks, and 31 banks have branch/window banking in Bangladesh.

TDS: What types of Shariah-compliant services does your bank offer?

MFH: As a full-fledged Islamic bank, Exim Bank always offers a wide range of Shariah-compliant services, such as Shariah-compliant deposit accounts, investment products, foreign trade, and utility services.

TDS: What challenges does Islamic banking currently face that need to be addressed?

MFH: Islamic banking faces several challenges that need attention, including:

- Consumer Awareness and Education:** A general lack of understanding of Islamic banking principles and products limits potential customer engagement, consumer uptake, confidence, and market growth.
- Liquidity Management:** Islamic banks struggle with liquidity management due to the prohibition of interest-based instruments, complicating their cash flow and investment strategies.
- Lack of Standardization:** Divergent interpretations of Shariah law among scholars can result in variations in products and services, complicating consumer understanding and trust.
- Competitive Pressure:** Conventional banks often have the advantage of offering similar products without the constraints of Shariah, leading to increased competition.
- Technological Adaptation:**



Integrating modern technology and fin-tech solutions while ensuring compliance with Islamic principles presents a significant challenge.

7. Risk Management Frameworks: There is a need for effective risk management strategies that align with Shariah compliance while addressing market and operational risks.

7. Public Perception and Misconceptions: There may be misconceptions about Islamic banking being less efficient or more expensive, which needs to be addressed through education and outreach.

Tackling these challenges can help strengthen the Islamic banking sector and enhance its appeal to a broader audience.

TDS: Do you have any plans to add more features to the Islamic banking channel in your bank to

enhance customer service?

MFH: Exim Bank is continuously looking to enhance its relationship with customers and to accelerate service. Here are some common features that banks often consider adding:

1. Digital Banking Platforms: Enhancements to online and mobile banking platforms to make transactions, account management, and customer support more accessible.

2. Educational Resources: Providing tools, workshops, webinars and materials to educate customers about Islamic finance principles and products.

3. Personalized Financial Products: Offering customized financial solutions tailored to individual customer needs.

4. 24/7 Customer Support: Expanding customer service availability through chatbots, live chat, or dedicated knowledgeable

support teams in Islamic finance.

5. Innovative Financial Products: Developing new Shariah-compliant products that meet changing market demands, such as sustainable finance options like microfinance and green financing.

6. Integrated Financial Planning: Tools for financial planning that align with Shariah principles, helping customers to manage their finances holistically.

7. Feedback Mechanisms: Implementing systems for customers to provide feedback easily, helping the bank adapt and improve its offerings.

8. Community Engagement Programs: Initiatives that promote community involvement and social responsibility aligned with Islamic values.

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These enhancements can help improve the customer experience and loyalty within the Islamic banking sector.

TDS: What are the prospects for the overall growth of Islamic banking in the country?

MFH: The prospects for the growth of Islamic banking in our country are generally positive, driven by several factors:

1. Increasing Demand: There is a growing awareness and demand for Shariah-compliant

financial products among Muslim populations, as well as interest from non-Muslims seeking ethical banking options.

2. Regulatory Frameworks: Many governments are developing supportive regulatory environments that encourage the growth of Islamic finance, fostering confidence among investors and customers.

3. Innovation in Products: The introduction of diverse and innovative Shariah-compliant financial products and services is attracting a broader range of customers, including retail, corporate, and investment sectors.

4. Technological Advancements: The rise of fintech is enabling Islamic banks to enhance their services, improve efficiency, and expand customer experiences, reaching a wider audience through digital platforms.

5. Global Economic Trends: A growing emphasis on sustainable and socially responsible investing aligns well with Islamic finance principles, appealing to a broader demographic.

6. Economic Growth: In many regions, economic growth and increased financial inclusion efforts are creating a favorable environment for the expansion of Islamic banking.

7. Cross-Border Opportunities: There are growing opportunities for collaboration and partnerships between Islamic banks across different countries, expanding their reach and services.

8. Financial Inclusion: Increased efforts towards financial inclusion are creating opportunities for Islamic banks to serve underserved populations.

LAUNCHING YEAR 2004



INVESTMENT
2,356% growth in 20 years

DEPOSIT
Initial portfolio BDT 1,907.82 crore
Current portfolio BDT 44,795.10 crore



SPECIALIZED DEPOSIT PRODUCTS

SPECIALLY DESIGNED FOR WOMEN



Mudaraba Su-Grehini Monthly Benefit Scheme	1 Year	12.00%
Mudaraba Femina Monthly Benefit Scheme	1 Year	12.00%
Mudaraba Femina Monthly Savings Scheme	3-12 Years	11.25%-11.65%
Mudaraba Su-Grehini Monthly Savings Scheme	3-12 Years	11.25%-11.65%

SPECIALLY DESIGNED FOR STUDENTS



Mudaraba Student Savings Deposit Account		4.00%
Mudaraba Monthly Student Savings Deposit Scheme	3-12 Years	11.00%-11.50%

INVESTMENT PRODUCTS

- Bai-Muazzal
- Bai-Murabaha
- Bai-As-Sarf
- Bai Salam
- Bai-Istisna
- Izara (Baia)
- HPSM
- Quard
- Musharaka
- EXIM Scholars

SERVICE COVERAGE

- 151 Branches
- 73 Sub-Branches
- 12 Agent outlets

REMITTANCE THROUGH THE SHARIAH CHANNEL

(Jan-September, 2024)

Amount	Incentive rate
BDT 434,17,80,000	2.5%

ACCOUNT OPENING PROCESS

Duly filled and signed A/C Opening Form by the Account Holder

ATTACHMENTS

Photocopy of National ID Card/ Passport/ Chairman Certificate

Two copies of passport size recent photograph of account holder duly attested by the introducer

Photograph, National ID Card and signature of the nominee(s), if any, duly attested by the account holder

Specimen Signature Card duly signed in presence of the Manager or Authorized Officer

E-Tin certificate of the A/C Holder

Deposited minimum amount

Any other document required by the bank from time to time

UNIQUE FEATURES

A magnificent blend of Shariah and modern banking

Covering a wide range of customers from rural senior citizens to urban youths via tailor-made deposit and investment products

Simplicity and intelligibility in profit calculation

No hidden charges

Online convenience and round-the-clock customer care

TOP SHARIAH-BASED LENDING SECTORS

Readymade Garments Industries

Whole Sale Traders

Refining and hydrogenation of edible oil, vanaspati, Ghee etc.

Spinning Mills

Housing Companies or Societies/Land Developers

Importers

Construction Companies

Steel Engineering & Metallic Products Industries (Including Re-rolling Mills)

Importers and Exporters

Retail Traders

DEPOSIT PRODUCTS WITH PROFIT RATES

Name of Products	Tenure	Profit Rate
Mudaraba Special Notice Deposit		5.00%-6.00%
Mudaraba Cash Waqf		11.50%
Mudaraba Term Deposit	1-36 Months	6.00-11.50%
Mudaraba Monthly Savings Deposit Scheme	3-12 Years	11.00%-11.50%
EXIM Probashi Monthly Savings Scheme	3-12 Years	11.25%-11.65%
Mudaraba Senior Monthly Savings Scheme	1-2 Years	11.25%-11.50%
Mudaraba Mihnat Monthly Savings Scheme	3-12 Years	11.25%-11.65%
Mudaraba Kotipotri Deposit Scheme	3-20 Years	11.00%-11.65%
Mudaraba Monthly Income Deposit Scheme	1-5 Years	12.00%
Mudaraba Super Savings Scheme	5 Yrs 4 M	13.84%
Mudaraba Hajj Deposit Scheme	5-20 Years	11.35%-11.65%
Mudaraba Denmohor/Marriage Deposit Scheme	3-20 Years	11.25%-11.65%
EXIM Ziadah-Five Years Probable Triple Benefit	5 Years	11.50%
Mudaraba Krishi Monthly Deposit Scheme	3-12 Years	11.25%-11.65%
Mudaraba Housing/ Entrepreneurship Dev. Scheme	3-12 Years	11.25%-11.65%
Mudaraba Shefa Monthly Savings Deposit Scheme	3-8 Years	11.25%-11.45%
Mudaraba Savings Deposit		4.00%
Mudaraba Happiness Monthly Savings Scheme	1-10 Years	11.00%-11.50%
Mudaraba Millionaire Deposit Scheme	3-15 Years	11.00%-11.50%
Mudaraba Multiplus Savings Deposit Scheme	10 Years	11.60%
EXIM Ruhama-Three Years Prob. Double Benefit	3 Years	11.25%