

TAYYEBAH DHAKA ISLAMIC BANKING

LAUNCHING YEAR: 2003

CURRENT PORTFOLIO

Current portfolio September 2024 (In Corer)	
Deposit	1,485.39
Investment	858.35

REMITTANCE PROCESSED THROUGH THE SHARIAH CHANNEL

BDT. 3.16 crore
(from January-September)



SPECIAL PRODUCTS



FOR YOUTHS
Mudaraba Student Ledger Savings Account



FOR WOMEN
Mudaraba Aroni Deposit Pension Scheme
Mudaraba Aroni Savings
Aroni Fixed Deposit



FOR SENIOR CITIZEN
Mudaraba Senior Citizen Special Fixed Deposit

OTHER SPECIAL PRODUCTS

- Mudaraba Hajj Savings Scheme
- Mudaraba Marriage Deposit Scheme
- Mudaraba RFCD Account
- Mudaraba Platinum Deposit Account
- Mudaraba Gold Deposit Account

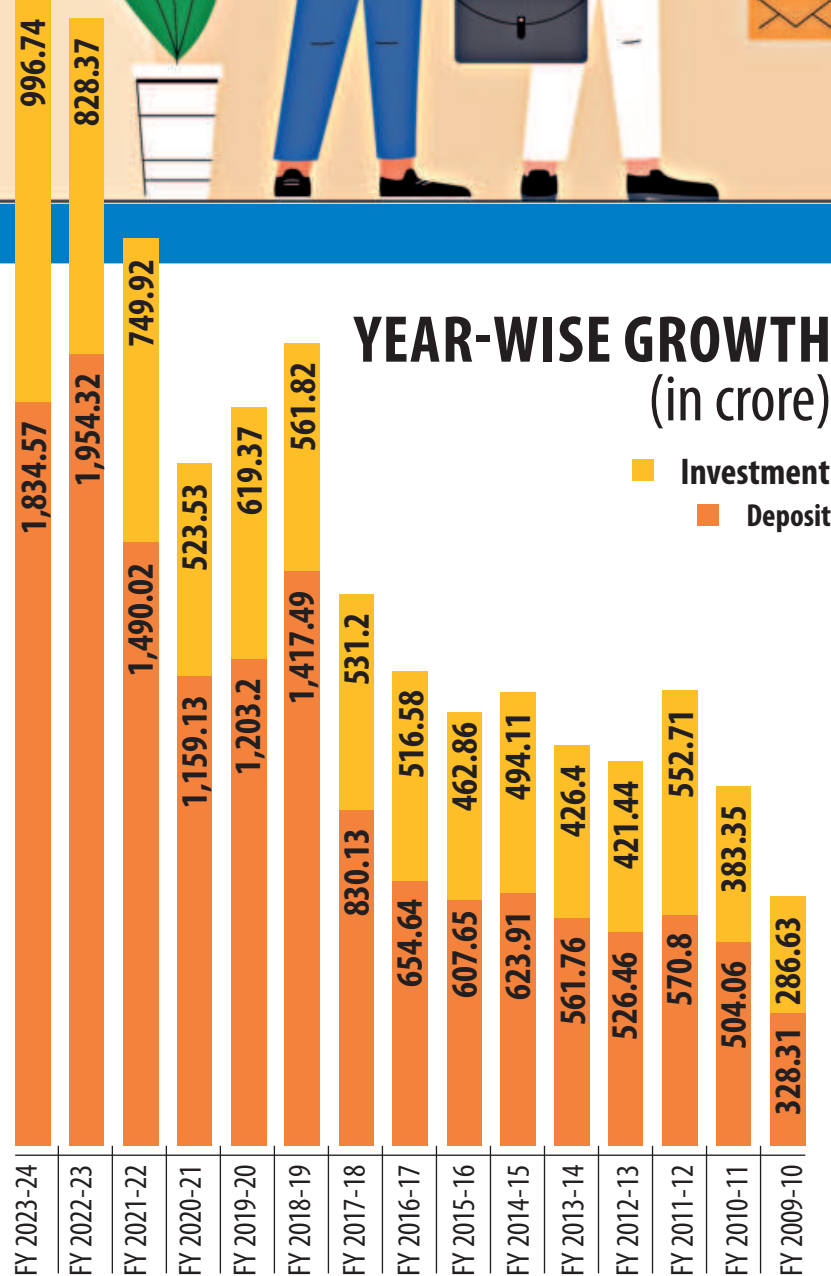
INVESTMENT PRODUCTS

Murabaha Purchase Order
Bai-Muazzal Industrial
Bai-Muazzal Others
Murabaha Post Import Trust Receipt
Murabaha Term Finance Industrial
Murabaha Term Finance Others
Hire Purchase Shirkatul Meelk
Ijarah Transport
Ijarah Machinery & Equipment

DEPOSIT PRODUCTS

Al-Wadeeah Current Account
Mudaraba Special Notice Deposit Account
Mudaraba Savings Account
Mudaraba Deposit Pension Scheme
Mudaraba Term Deposit
Mudaraba Special Deposit Scheme
Mudaraba Double Deposit Scheme

YEAR-WISE GROWTH (in crore)



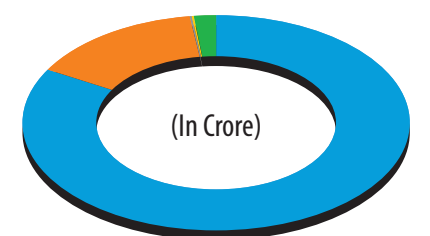
MAJOR DEPOSIT PROFIT RATE (PROVISIONAL)

Mudaraba Special Notice Deposit Account	up to 3.00%
Mudaraba Savings Account	up to 2.25%
Mudaraba Deposit Pension Scheme	8.50% - 10.00%
Mudaraba Term Deposit	8.50% - 10.25%
Mudaraba Special Deposit Scheme	9.50% - 10.80%
Mudaraba Double Deposit Scheme	9.15%
Mudaraba Aroni Savings	0.25% higher than Regular Savings Profit Rate
Mudaraba Aroni Deposit Pension Scheme	8.50% - 10.00%
Aroni Fixed Deposit	10.0% - 10.25%
Mudaraba Senior Citizen Special Fixed Deposit	9.75% - 10.25%

UNIQUE FEATURES

- Shariah-compliant products are meticulously designed and regularly audited by a board of qualified Shariah scholars to ensure full adherence to Islamic law
- Offer transparent profit-sharing models
- Investment products are focused on ethical sectors and socially responsible initiatives
- Provide personalized financial solutions tailored to meet the unique needs of clients

SECTOR-WISE FINANCING (SEPTEMBER 2024)



SERVICE COVERAGE

- Two Islamic Banking Branches are located in Dhaka and Chattogram.
- All conventional branches of the bank can open Islamic Banking

accounts through these designated branches.

- Islamic Banking services are available online from all branches of

the bank, with conditions applicable under Bangladesh Bank guidelines.

- To meet growing demand, 11 Islamic Banking Service Desks have

been launched at conventional branches throughout Dhaka city to inform customers about Islamic Banking services.

Dhaka Bank follows the Weightage system of profit distribution in the Mudaraba principle for deposit collection.

THE FUTURE OF ISLAMIC BANKING IN BANGLADESH

HABIBA NOWROSE

Islamic banking in Bangladesh has emerged as a formidable sector since its inception, playing a pivotal role in mobilizing deposits and financing various economic activities. As of now, it holds a substantial share of the banking sector, representing over 26% of total deposits and 28% of investments. Beyond banking, other Islamic financial sectors—such as Islamic capital markets, Islamic insurance (Takaful), and microfinance—possess untapped potential for growth. However, to harness this potential, supportive policies need to be implemented effectively. This article explores the future of Islamic banking in Bangladesh, emphasizing

communities. This outreach would not only support rural financial needs but also align with the banks' goals of promoting socially beneficial

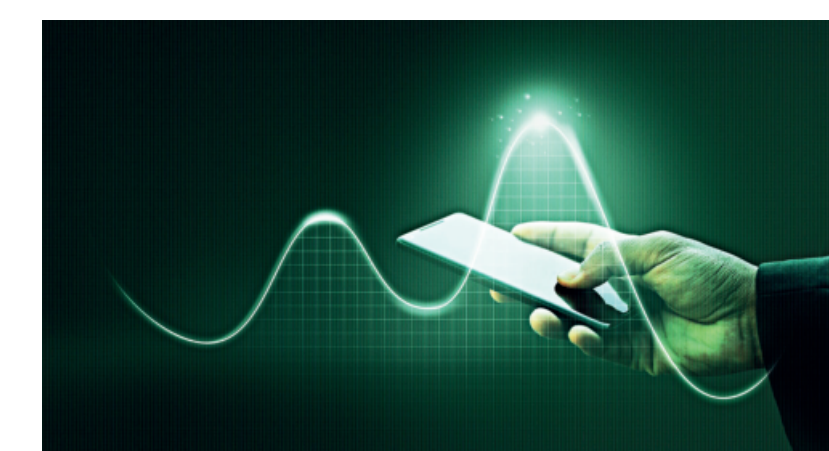
Enhancing Investments in Mudaraba and Musharaka

A key principle of Islamic banking is to avoid interest-based transactions and instead focus on profit-sharing models like Mudaraba and Musharaka. However, investments through these modes remain minimal; during January-March 2024, Musharaka accounted for only 0.38%, while Mudaraba represented just 0.23% of total investments. To enhance Islamic finance's contribution to Bangladesh's economy, banks must establish clear guidelines and policies to promote Mudaraba and Musharaka investments. Encouraging these modes would not only comply with Shari'ah principles but also diversify the investment offerings of Islamic banks, leading to a more balanced approach to risk and profitability.

Leveraging Microfinance and Supporting Women Entrepreneurs

Microfinance, a cornerstone of Bangladesh's economic landscape, offers Islamic banks an excellent opportunity to enhance financial inclusion and reach new customers. As of March 2024, Islamic banks' investment in the Cottage, Micro, Small, and Medium Enterprises (CMSMEs) sector stands at only 9.60%, indicating significant room for growth.

A targeted focus on women entrepreneurs within microfinance projects could yield substantial benefits. By supporting woman-led enterprises and collaborating with government agencies, Islamic banks can not only foster economic development but also broaden their customer base. This



strategy resonates with the inclusive and ethical values of Islamic finance, appealing to socially conscious customers while promoting gender equality and economic empowerment.

Developing Islamic Money and Capital Market Instruments

Effective liquidity management remains a crucial challenge for Islamic banks, which require Shari'ah-compliant financial products to operate smoothly. The recent introduction of Sukuk bonds in Bangladesh has been a promising development, as its popularity among investors indicates. The total amount of Sukuk issued stood at BDT 180.00 billion till end of March 2024. Sukuk offers a way to channel excess liquidity within the Islamic banking system while supporting government budget deficits and promoting the Islamic capital market. By innovating additional money and capital market instruments, Islamic banks can better manage their liquidity, contribute to a stable financial system, and attract investments.

Promoting Green Financing

Though green financing currently

comprises a small portion of the Islamic banking sector's portfolio in Bangladesh, these banks are increasingly proactive in advancing it, guided by the Government of Bangladesh's Green Financing Policy.

During January-March 2024, total sustainable financing in the Islamic banking sector reached BDT 231.43 billion, of which BDT 26.51 billion was allocated specifically to green finance. This allocation supported 1,440 green finance beneficiaries and over 169,000 recipients of sustainable-linked finance. As these numbers reflect, Islamic banks are not only expanding their portfolio but are also making significant strides in meeting the government's Environmental, Social, and Governance (ESG) guidelines, demonstrating a commitment to environmentally responsible growth.

By aligning their strategies with national environmental objectives, Islamic banks in Bangladesh have an opportunity to lead the way in financing sustainable projects, reinforcing both environmental goals and the ethical foundation of Islamic finance.

Expanding Corporate Social Responsibility (CSR) Initiatives

Islamic banks in Bangladesh have been expanding their CSR initiatives, drawing from unique Shariah-compliant sources such as Zakat, compensation charges from defaulting clients, and other permissible earnings. These funds are allocated to diverse educational, training, health, and charitable organizations, aiming to serve impoverished and disadvantaged communities often excluded from the conventional banking system.

During January-March 2024, Islamic banks' CSR expenditure reached BDT 0.85 billion, supporting poverty reduction and addressing basic human needs through productivity-oriented projects.

Islamic banks in Bangladesh can further expand their CSR initiatives by prioritising health, education, disaster management, poverty alleviation, and rehabilitation, reinforcing their commitment to social welfare and enhancing their reputation as responsible financial institutions serving the community.

Integrating Technology in Islamic Banking

The integration of modern technology and fintech solutions presents both challenges and opportunities for Islamic banking in Bangladesh. While ensuring compliance with Islamic principles remains crucial, the rise of fintech is enabling Islamic banks to enhance their services significantly. By leveraging digital platforms, these banks can improve operational efficiency, streamline processes, and offer more tailored financial products. Furthermore, fintech solutions can enhance customer experiences by providing convenient access to banking services, especially for underserved populations in rural areas.

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key areas for development and growth opportunities.

Expanding Outreach into Rural Bangladesh

While Islamic banking has steadily expanded in urban areas, its presence in rural regions has not kept pace with demand. In January-March 2024, investments in agriculture fell to BDT 16.88 billion, down from BDT 22.83 billion in the previous quarter. Islamic banks can significantly enhance agricultural and rural credit financing by establishing branches in underserved