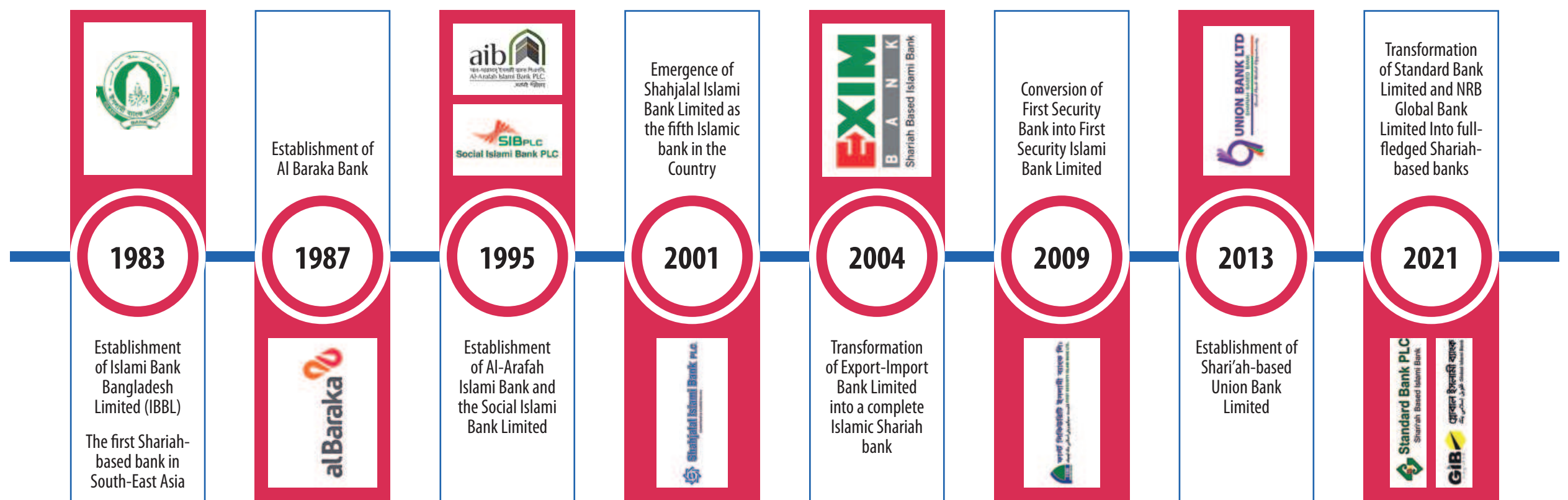


## ISLAMIC BANKING MILESTONES IN BANGLADESH



## Islamic Banking in Bangladesh

FROM PAGE J1

Farman R Chowdhury further points out that Islamic banks in Bangladesh mainly provide basic financing options like Murabaha and Ijarah, which restricts their competitive edge due to a limited range of available financial products.

Bank insiders believe that before investing in projects through Islamic banking, banks should conduct thorough assessments of each project's feasibility, expertise, and potential, ensuring they have a clear understanding of relevant forward and backward linkages. The Central Shariah Board could support this process by carrying out regular inspections and verifications.

due to their alignment with ethical principles, profitability, and faith-based values. As a result, more conventional banks are venturing into the Islamic banking sector by establishing new windows and branches.

Eastern Bank, a prominent conventional bank, launched its Islamic banking operations on August 22, 2024. "In our Islamic Banking division, we will uphold our commitment to performance, maintain a strong compliance culture rooted in Shariah principles, and ensure that we provide the same level of care to our customers as we do in Conventional Banking. By choosing our Islamic Banking services, customers not only protect their financial interests but also support a financial system that promotes justice, equity, and social responsibility. We have introduced Musharakah to address the working capital needs for financing overhead costs, which is a rare offering in Bangladesh," says Ali Reza Iftikhar, Managing Director of Eastern Bank PLC.

In summary, Islamic banking holds significant potential, although it has yet to gain full momentum. Achieving this growth necessitates robust macro-level management from both the banks and the central regulatory body, ensuring that this ethical banking system meets the needs and expectations of its clients.

"The outlook for the growth of Islamic banking in Bangladesh appears positive, driven by increasing demand, government support, innovation, and economic stability. As the industry continues to evolve and adapt to changing market dynamics, ample opportunities exist for Islamic banks to further solidify their presence and contribute to the overall financial inclusion and diversity within the banking sector in Bangladesh," shares Md. Ahsan-uz Zaman, Managing Director and CEO of Midland Bank.

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, shares Mohammad Feroz Hossain, Managing Director and CEO at Exim Bank.

He also adds that 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.

**Islamic banking holds significant potential, although it has yet to gain full momentum. Achieving this growth necessitates robust macro-level management from both the banks and the central regulatory body, ensuring that this ethical banking system meets the needs and expectations of its clients.**

"The Central Shariah Board for Islamic Banks of Bangladesh (CSBIB) must operate with a certain degree of influence from Bangladesh Bank. It is essential that regulatory processes align with those of the Bangladesh Institute of Bank Management (BIBM). Consequently, coordination should occur in a hierarchical manner to avoid any disruptions. Given its expertise in Shariah law, the CSBIB should possess the authority to conduct inspections as needed. In cases of non-compliance, the CSBIB should provide guidelines and suggestions for future improvements," states Mohammad Ali, Managing Director and CEO of Pubali Bank.

Shariah-based transactions are increasingly gaining popularity among the general public



## NUMBER OF ISLAMIC BANKS, BRANCHES & WINDOWS

(January 2024)

Islamic Banking Branches: 1701

Islamic Banking Windows: 636

### FULL FLEDGED ISLAMIC BANKS

Name of Banks	No of Branches	No. of Windows
Islami Bank Bangladesh (IBBPLC)	394	----
Al Arafah Islami Bank (AIBPLC)	215	----
Social Islami Bank (SIBPLC)	179	----
Standard Bank Limited (STBL)	138	----
Export Import Bank of Bangladesh Limited (EXBL)	151	----
First Security Islami bank (FSIBPLC)	205	----
Shahjalal Islami Bank (SJIPLC)	140	----
Union Bank (UNBPLC)	114	----
Global Islami Bank (GIBPLC) 101	101	----
ICB Islamic Bank Limited (ICBIBL)	33	----
Sub Total	1670	----

### BANKS HAVING ISLAMIC BANKING BRANCHES

Name of Banks	No of Branches	No. of Windows
AB Bank (ABBPLC)	1	
The City Bank (CBPLC)	1	
United Commercial Bank (UCBPLC)	1	10
Pubali Bank PLC (PUBBPLC)	1	19
National Credit and Commerce Bank (NCCBPLC)	1	
Prime Bank (PRIBPLC)	5	
Southeast Bank (SEBPLC)	5	
Dhaka Bank (DBPLC)	2	
Mercantile Bank PLC (MERBPLC)	1	45
One Bank (OBPLC)	2	14
Bangladesh Commerce Bank Limited	2	
The Premier Bank PLC (PREBPLC)	2	25
Jamuna Bank PLC (JAMBPLC)	2	
Bank Alfalah Limited (BAFL)	1	
NRB Bank Limited (NRBBL)	1	
Bengal Commercial Bank Limited (BCBL)	3	
Sub Total	31	113

### BANKS HAVING ISLAMIC BANKING WINDOWS

Name of Banks	No of Branches	No. of Windows
Agrani Bank PLC (ABPLC)	----	60
Rupali Bank PLC	----	1
Sonali Bank (SBPLC)	----	58
Standard Chartered Bank (SCB)	----	1
Mutual Trust Bank (MTBPLC)	----	15
Bank Asia Limited (BASL)	----	5
Trust Bank Limited (TBL)	----	30
NRBC Bank PLC (NRBCBPLC)	----	332
South Bangla Agriculture and Commerce Bank (SBACBPLC)	----	10
Meghna Bank (MEGBPLC)	----	10
Midland Bank Limited (MDBL)	----	1
Sub Total	----	523