

# Trust, technology, and brand equity – THE THREE PILLARS OF OUR SUCCESS

**MASHRUR AREFIN**, Managing Director & CEO, City Bank

**The Daily Star (TDS):** What is the current state and trend of bank deposits in the country?

**Mashrur Arefin (MA):** The deposit landscape in Bangladesh today is undergoing a profound transition. I would call it a quiet rebalancing of public sentiment.

As of March 2025, total deposits in the banking sector stood at approximately BDT 18 trillion, growing at around 9% year-on-year. This signals a subtle erosion in the real value of bank deposits. What we are witnessing is not a crisis of liquidity, but a crisis of confidence. Recent stresses in isolated parts of the sector have prompted many to differentiate banks not just by products, but by asset quality, discipline, disclosure standards, and commitment to digital resilience. As a result, depositors are moving towards banks that they perceive as stable, well-governed, and forward-looking.

This is where City Bank's strategy has found its resonance. In the first half of 2025, we registered BDT 8,000 crore growth in deposits—a remarkable acceleration compared to our BDT 3,000 crore growth in the same period of 2024. This momentum is not accidental. It is the result of three deliberate strategic pillars: trust, technology, and brand equity.

**TDS:** What major deposit schemes does your bank currently offer, particularly those tailored to specific customer segments?

**MA:** We have built a portfolio that is broad in scope, deep in relevance, and digitally accessible—meaning it caters to every meaningful segment of our society.

For youth and students, we offer the Student Savings Account, designed to instil early saving habits with digital access, zero fees, and guardian-linked security. For the freelancer community, we have introduced the Freelancer Savings Deposit, fully ERQ-enabled, integrated with foreign inward remittance solutions, and bundled with dollar-linked benefits and remittance certificates.

For women, our flagship City Alo proposition offers not only deposit accounts but also financial literacy, preferential rates, and access to entrepreneurial development tools.

The emerging middle class finds great value in our variety of savings accounts, which offer tiered interest rates, lifestyle-linked privileges, and waived transactional charges.

Recognising the growing need for faith-based finance, we also offer a full suite of Shariah-compliant Islamic banking solutions through our City Islamic platform.

For the affluent segment, our Priority Banking platform delivers not only curated deposit schemes and wealth preservation tools but also a high-touch relationship model backed by financial planning.

**TDS:** What innovations has your bank introduced in terms of technology, payments, and security to benefit depositors?

**MA:** We have embraced innovation not as a performative gesture, but as an institutional obligation. We have moved decisively into the future of payments—integrating Google Pay, enabling Tap & Pay contactless experiences, and establishing ourselves as the largest POS acquirer in the country.

We are redesigning banking for our customers with the help of technology. These customers are the ones who live in motion, who bank at midnight, who expect precision and beauty in every interaction. And as we innovate, we remain steadfast in our commitment:

to earn trust through technology and loyalty through experience.

**TDS:** What are your bank's future plans for developing new deposit schemes and enhancing operational models for depositors?

**MA:** We are moving with deliberate intent toward becoming what we believe a bank should ultimately be—a household institution. Not just a bank for the wealthy or the urban, but a people's bank.

Our future product roadmap includes deposit schemes that will be designed around the real goals and constraints of individual segments, not generic products stretched to fit everyone.

For instance, a working mother in Narayanganj should have access to a flexible deposit scheme linked to her child's education. A schoolteacher in Barisal should be able to open an account within minutes, without stepping into a branch. A freelancer in Rajshahi should be able to receive dollars and convert to Taka with one swipe. And a retiree in Chattogram should find security, predictability, and human touch—digitally.

This is not just vision; it is already in motion.

Our ambition is that most Bangladeshis, regardless of geography or literacy, can engage with City Bank

through their mobile phone.

**TDS:** What role do you believe the Government should play in strengthening public trust and ensuring the safety of deposits in the banking sector?

**MA:** The role of the Government in today's financial system extends far beyond regulatory oversight. The central bank has demonstrated commendable agility. They have championed inclusion through agent banking, enabled growth in mobile financial services, and embraced innovation via e-KYC, digital payment networks, and alternative credit assessment frameworks.

Looking ahead, the Government can play an equally transformative role in providing policy support for frictionless digital onboarding and e-KYC adoption. Secure public data infrastructure and regulatory sandboxes can rapidly expand the reach of formal financial services. At the same time, permission for controlled experimentation with micro-savings models, goal-based deposits, and alternative scoring mechanisms can unlock access for millions still standing at the edge of the financial system.

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## We are focused on INCLUSIVE INNOVATION

**MOHD. RAFAT ULLAH KHAN**,  
Managing Director (CC), Al-Arafah Islami Bank

**The Daily Star (TDS):** What is the current state and trend of bank deposits in the country?

**Mohd. Rafat Ullah Khan (MRUK):** Bangladesh's banking sector is witnessing a steady upward trend in deposit mobilisation. According to the latest publication by Bangladesh Bank, total bank deposits in the country's banking industry increased by 5.15% during the period July–May FY25, reaching BDT 18,325.72 billion at the end of May 2025. This marks a slowdown compared to a 6.64% increase during the same period in FY24. The growth in deposits was primarily driven by a rise in time deposits. Of the total deposits, Shariah-based banks accounted for BDT 4,430 billion. Among them, Al-Arafah Islami Bank held an 11.33% share of the total Shariah-compliant deposits, representing 2.74% of the entire banking sector's deposits.

While conventional banks have demonstrated relatively higher growth in some areas, Shariah-based banks like Al-Arafah Islami Bank PLC continue to exhibit strong and stable performance. This resilience is driven by growing customer confidence in ethical banking practices and the increasing appeal of Shariah-compliant financial solutions.

**TDS:** What major deposit schemes does your bank currently offer, particularly those tailored to specific customer segments?

**MRUK:** Al-Arafah Islami Bank PLC offers a diverse range of Shariah-compliant deposit schemes designed to meet the needs of a wide spectrum of customers. Our deposit portfolio includes a number of specialised products tailored to specific purposes and segments. The Al-Arafah Monthly Hajj Deposit Scheme enables customers to prepare for Hajj through a structured, Shariah-compliant savings plan. The Mudaraba Profit-Based Term Deposit Scheme offers profit-sharing returns over a fixed term, while the Mudaraba Pension Deposit Scheme helps customers secure their financial future through monthly savings towards retirement.

We also provide the Cash Waqf Deposit Scheme, which facilitates charitable giving in a sustainable way, allowing depositors to endow funds for social welfare purposes. The Mudaraba Advantage Deposit Scheme is designed for clients seeking enhanced returns within Islamic banking principles. For customers with international needs, we offer both the Offshore/International Banking Account and the Resident Foreign Currency Deposit Scheme, enabling Shariah-compliant services across borders.

**TDS:** What innovations has your bank introduced in terms of technology,

payments, and security to benefit depositors?

**MRUK:** Innovation and technological advancement are central to Al-Arafah Islami Bank's approach to modern banking. We have streamlined the account opening process through digital onboarding using e-KYC, ensuring secure and hassle-free access to financial services. Our i-Banking and Mobile App platforms offer customers convenient, 24/7 banking at their fingertips.

Al-Arafah Islami Bank, one of the leading Shariah-based banks in the country, has launched three new deposit products as part of its ongoing efforts to expand the scope of modern banking services. The newly introduced products are:

**We also plan to introduce a range of Shariah-compliant digital financial products through partnerships with fintech companies and mobile financial service providers, enabling deposit services for micro-merchants and gig workers.**

- Al-Wadiah Current Plus Account,
- Mudaraba Savings Plus Deposit, and
- Mudaraba Youth Saver Account.

Al-Arafah Islami Bank is committed to meeting customer needs by combining modern technology with Islamic values. These three new deposit products will add a new dimension to the banking experience for retail, corporate, SME, and young customers across the country.

**TDS:** What are your bank's future plans for developing new deposit schemes and enhancing operational modes for depositors?

**MRUK:** Looking ahead, Al-Arafah Islami Bank is focused on inclusive innovation to reach untapped customer segments. One of our key initiatives is the introduction of Digital Islamic Micro-Savings solutions,

especially targeted at underserved and underprivileged communities, including women. These solutions will be available via our mobile app and Islamic Wallet, making them easy to access and manage.

We also plan to introduce a range of Shariah-compliant digital financial products through partnerships with fintech companies and mobile financial service providers, enabling deposit services for micro-merchants and gig workers. In addition, we are working on a comprehensive, digital-first Islamic banking platform specifically designed for freelancers—offering tailored services to match their unique financial needs.

**TDS:** What role do you believe the government should play in strengthening public trust and ensuring the safety of deposits in the banking sector?

**MRUK:** The government holds a pivotal responsibility in enhancing public confidence and safeguarding deposits within Bangladesh's banking sector. Below is a detailed outline of the key roles it should undertake:

- **Regulatory Oversight and Enforcement**
  - Empower Bangladesh Bank (BB): Ensure the central bank operates independently and efficiently in its role as the primary regulator of the banking sector.
  - Enforce Robust Monitoring: Mandate strict adherence to international banking standards, such as Basel III, to promote financial stability and risk management.
- Respond Swiftly to Irregularities: Take prompt, transparent, and decisive action against banks engaged in fraud, mismanagement, or reckless financial practices.
- **Deposit Insurance and Protection**
  - Expand Deposit Insurance Coverage: Raise the coverage limit of the Deposit Insurance Scheme to better protect small and medium depositors, as the current ceiling of BDT 100,000 is insufficient for many.
  - Increase Public Awareness: Launch targeted awareness campaigns to inform citizens about deposit insurance benefits, aiming to reduce panic and misinformation during periods of financial uncertainty.