

Quarterly Report on Islamic Banking in Bangladesh¹

January-March 2024



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Highlights: Quarterly Report on Islamic Banking in Bangladesh

January-March 2024

Total Deposits

Total deposits of Islamic banking system reached to BDT 4,394.65 billion at the end of March 2024 with a decrease of BDT 39.38 billion or 0.89 percent as compared to the end of December 2023. It was higher by BDT 278.34 billion or 6.76 percent as compared to the same quarter of the last year. The share of total deposits of Islamic banks accounted for 26.23 percent of total deposits of the entire banking sector during the period under report.

Total Investment

Total Investment (loans & advances) of Islamic banking system increased by BDT 120.20 billion or 2.70 percent to BDT 4,569.94 billion at the end of March 2024 as compared to the end of December 2023. It was also higher by BDT 445.97 billion or 10.81 percent as compared to the same quarter of the last year. The share of total investment of Islamic banks accounted for 28.24 percent of total loans & advances of the whole banking sector at the end of March 2024.

Investment-Deposit Ratio

At the end of March 2024, Investment-Deposit Ratio (IDR) of the Islamic banks stood at 0.97 (excluding EDF and refinance). It was 0.93 at the end of December 2023 and 0.92 of end March 2023.

Excess Liquidity

Excess liquidity of Islamic banks decreased by BDT 51.25 billion or 77.14 percent to BDT 15.18 billion at the end of March 2024 from BDT 66.43 billion of end December 2023. It was lower by BDT 5.85 billion or 27.82 percent than that of the same period of the last year.

Exports

Total exports receipts by the Islamic banks decreased by BDT 49.03 billion or 13.30 percent to BDT 321.31 billion during January-March 2024 from BDT 370.61 billion of October-December 2023. It was lower by BDT 28.78 billion or 9.84 percent than that of the same quarter of 2023.

Imports

Total Imports payments by the Islamic banking system was decreased by 33.00 percent to BDT 504.36 billion during January-March 2024 as compared to October-December 2023. It was lower by BDT 88.03 billion or 21.15 percent than that of the same quarter of 2023.

Total Remittances

Total remittances mobilized by the Islamic banks increased from BDT 242.66 billion to BDT 258.97 billion which was 6.72 percent higher than that of previous quarter. It was lower by BDT 47.12 billion or 15.39 percent than that of the same quarter of 2023.

Branches and Windows

The number of branches of Islamic banks including Islamic branches of conventional commercial banks extended to 1,703 at the end of March 2024. It was 1,700 at the end of the December 2023 and 1,684 at the end of March 2023. At the same time, the number of Islamic banking windows extended to 646 at the end of March 2024 from 624 of end December 2023. It was 550 at the end of March 2023.

Manpower

Total employment in the Islamic banks stood at 51,272 at the end of March 2024. It was 50,306 at the end of December 2023 and 50,143 at the end of March 2023 respectively.

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Islamic banking has grown rapidly in value and geographical reach and has become an important and integral part of the global financial system. The sector is continuously growing globally based on its risk sharing optimism, inclusiveness and real asset backed transaction features. In line with global trends Islamic banking in Bangladesh has also been witnessing a robust growth due to its strong public demand and policy supports from the government as well as Bangladesh Bank.

1. Brief overview on Islamic Banking

At the end of March 2024, there were 10 full-fledged Islamic banks in Bangladesh operating with 1672 branches amongst total 11,289 branches in the whole banking system. In addition to this, 31 Islamic banking branches of 15 conventional commercial banks and 646 Islamic banking windows of 16 conventional commercial banks are also providing Islamic financial services in Bangladesh Table-1 (Appendix).

1.1: Activities of Islamic Banking system in Bangladesh: January-March 2024

Islamic Banking system has significant contributions in terms of deposits, investment, exports, imports, remittances mobilization and employment generation in the banking sector of Bangladesh. The system seems progressively attractive and profitable compare to conventional banks for their lower Statutory Liquidity Ratio (SLR) and higher Investment-Deposit Ratio (IDR). It is evident that, the system has experienced phenomenal growth and expansion in the country as the deposits and investments have increased significantly over the time. Basic information on Islamic banking has been given in Table-2 (Appendix).

1.2: The Market Share of Islamic Banks

The market share of Islamic banks is successively increasing over the time. At the end of March 2024, Islamic banks represents 26.23 percent share in terms of deposits and 28.24 percent share in terms of investments in the total banking industry which was 25.35 percent and 28.92 percent respectively at the end of December, 2023 (Table-3).

Table-3: Performances of Islamic Banks Compared to All Banks in Bangladesh**(In Billion BDT)**

Items	January-March 2024 ^P			October-December 2023 ^R
	All banks	Islamic banks	Share of Islamic banks among all banks (percent)	Share of Islamic banks among all banks (percent)
	1	2	3=(2/1x100)	4
Total deposits	16,754.93	4,394.65	26.23	25.35
Total investment (loans & advances in conventional banking system)	16,181.73	4,569.94	28.24	28.92
Remittances	690.20	258.97	37.52	37.27
Total excess liquidity	1668.26	15.18	0.91	4.07
Total number of bank branches	11,289	1,703*	15.09	15.07
Total agricultural credit	83.41	18.01	21.60	19.04

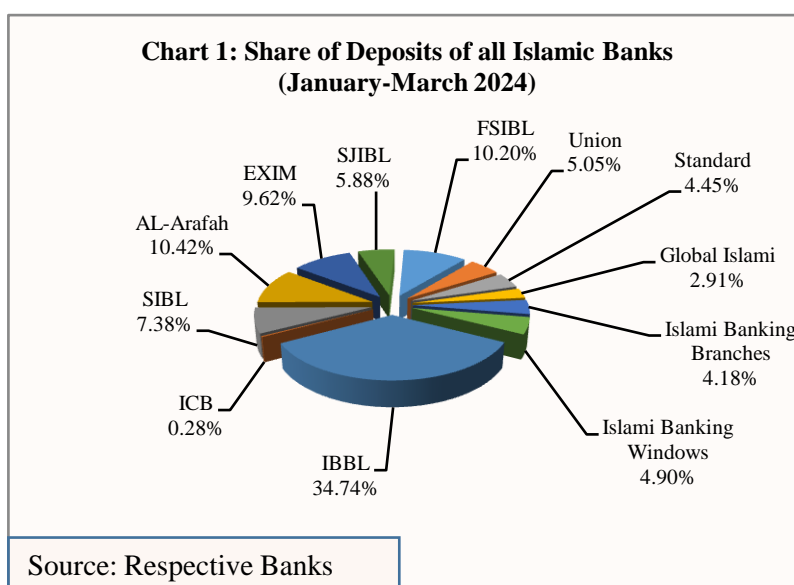
Source: Statistics Department, MPD, BRPD and ACD, Bangladesh Bank. Note: Stock figures are provided on end period basis.*⁼ Including Islamic Banking branches of Conventional Banks, P=Provisional, R=Revised.

2. Deposits Mobilization by Islamic Banking System

Total deposits in Islamic banking system reached at BDT 4,394.65 billion at the end of March 2024 with a decrease of BDT 39.38 billion or 0.89 percent as compared to the end of December 2023.

Deposits of 10 full-fledged Islamic banks stood at BDT 3,995.49 billion, windows of conventional banks BDT 215.45 billion and branches of conventional banks BDT 183.71

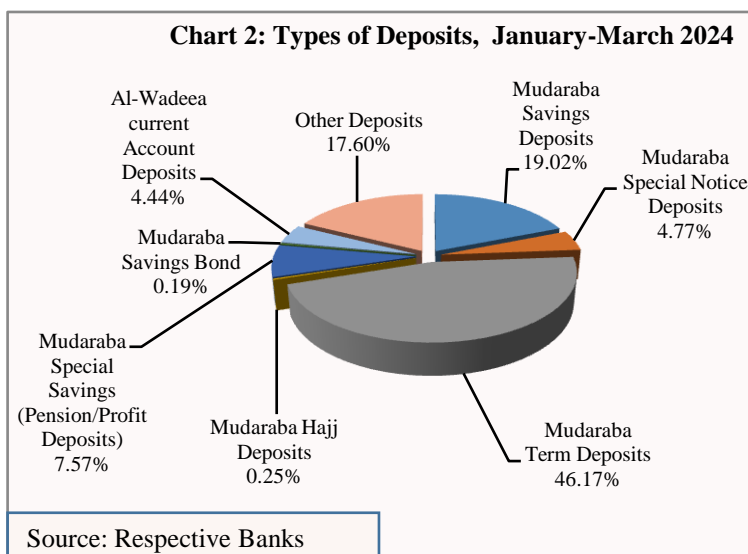
billion at the end of March 2024. Out of total deposits of the Islamic banking system 10 full-fledged Islamic banks represented 90.92 percent of deposits where Islamic banking branches and windows represented 4.18 and 4.90 percent respectively. Among all Islamic banks, Islami Bank Bangladesh PLC received the highest amount of deposits (34.74%) followed by Al-Arafah Islami Bank PLC (10.42%), First Security Islami Bank PLC (10.20%), Exim Bank PLC (9.62%), Social Islami Bank PLC (7.38%),



Shahjalal Islami Bank PLC. (5.88%), Union Bank PLC (5.05%), Standard Bank PLC (4.45%), Global Islami Bank PLC (2.91%) and ICB Islamic Bank Ltd. (0.28%) [Chart-1].

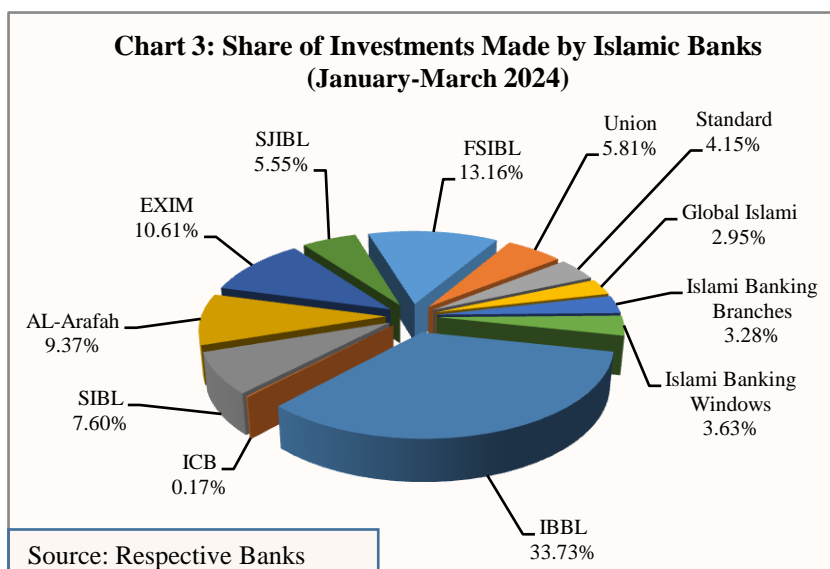
2.1: Types of Deposits

Among different types of deposits of the Islamic banking system, Mudaraba Term Deposits (MTD) secured the highest position (46.17%) followed by Mudaraba Savings Deposits (MSD) (19.02%), Other Deposits (17.60%), Mudaraba Special Savings (pension/profit) Deposits (7.57%), Mudaraba Special Notice Deposits (4.77%), Al-Wadeeah Current Account Deposits (4.44%), Mudaraba Savings Bond (0.19%) and Mudaraba Hajj Deposits (0.25%) during January-March 2024[Chart-2].



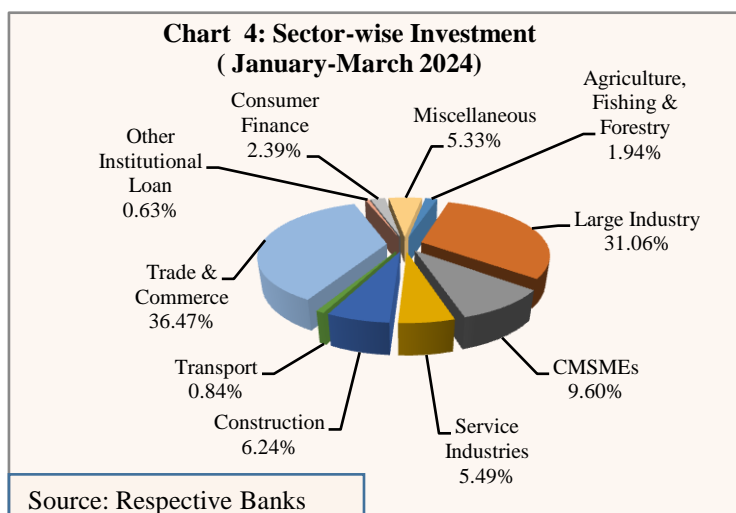
3. Investments of Islamic Banking System

Total investment (loans & advances) of Islamic banking system stood at BDT 4,569.94 billion at the end of March 2024. Out of total investment of Islamic banking system, 93.09 percent was materialized by 10 full-fledged Islamic banks, 3.63 percent by the Islamic banking windows of conventional banks and the rest 3.28 percent by the Islamic banking branches of conventional banks. Among the 10 full-fledged Islamic banks, Islami Bank Bangladesh PLC affixed the highest investment (33.73%) at the end of March followed by First Security Islami Bank PLC. (13.16%), EXIM Bank PLC (10.61%), Al-Arafah Islami Bank PLC (9.37%), Social Islami Bank PLC (7.60%), Union Bank PLC (5.81%), Shahjalal Islami Bank PLC (5.55%), Standard Bank PLC (4.15%), Global Islami Bank PLC (2.95%) and ICB Islamic Bank Ltd. (0.17%) [Chart-3].



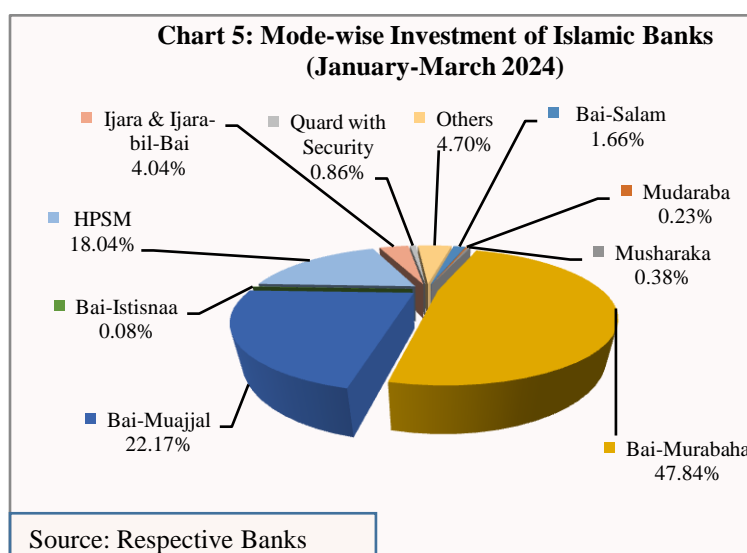
3.1: Sector-wise Investment

In case of the sector-wise investment, Trade and Commerce sector secured the highest position (36.47%) among all sectors at the end of March 2024. Followed by Large Industry (31.06%), CMSMEs (Cottage, Micro, Small and Medium Enterprises (9.60%), Construction (6.24%), Services Industry (5.49%), Miscellaneous (5.33%), Consumer Finance (2.39%), Agriculture, Fishing and Forestry (1.94%), Transport (0.84%) and Other Institutional Loan (0.63%), [Chart-4].



3.2: Mode^{*}-wise Investments

The analysis of mode-wise investment revealed that the highest investment was materialized through Bai-Murabaha mode (47.84%) at the end of March 2024 followed by Bai-Muajjal (22.17%), HPSM (18.04%), Ijara & Ijara-bil Bai (4.04%), Bai-Salam (1.66%), Quard with Security (0.86%), Musharaka (0.38%), Mudaraba (0.23%), Bai-Istisna (0.08%) and Others (4.70%) [Chart-5].



3.3: Investment in the Agricultural Sector

Islamic banking system has made significant contributions to financing different sub-sectors of agricultural and rural credit programs. During January-March 2024, investment in agricultural sector financed by the Islamic banking system reached to BDT 16.88 billion. It was lower by BDT 5.95 billion from BDT 22.83 billion of October-December 2023.

* In Islamic banking, the term "mode" refers to the various permissible contracts or arrangements through which Islamic financial transactions are conducted.

It was also lower by BDT 1.09 billion of the same quarter of the last year. The share of total agricultural credit of Islamic banks accounted for 21.60* percent among all banks during the quarter under report. Summary of investments in agricultural sector under the Islamic banking framework is provided in Table-4.

Table-4: Summary of Investment in Agricultural Sector

(In Billion BDT)

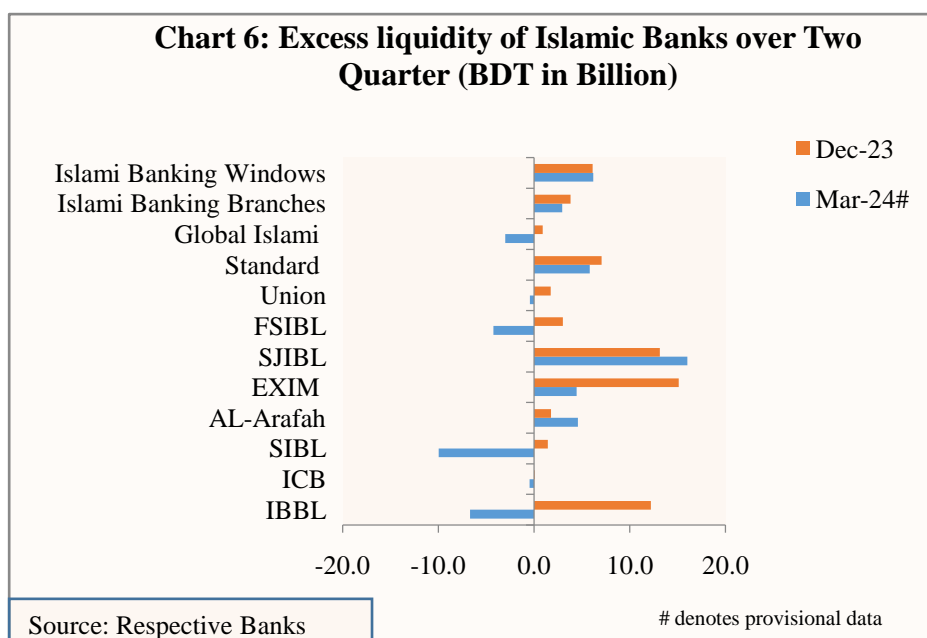
Period	Investment in Agricultural Sector						
	Investment Target	Actual Investment	Target Achieved (%)	Recovery	Outstanding Investment	Overdue Investment	Classified Investment
1	2	3	4	5	6	7	8
January-March 2024 ^P	21.15	16.88	79.84	14.66	59.85	2.58	4.76
October-December 2023	23.88	22.83	95.63	13.86	58.28	24.03	32.09
January-March 2023	20.13	17.98	89.29	17.64	49.02	22.90	21.21
Quarterly Changes	-2.73	-5.95	-	0.80	1.57	-21.46	-27.32
Annual Changes	1.01	-1.09	-	-2.98	10.83	-20.33	-16.45

Source: Islamic banks, branches and windows of conventional banks.

P= Provisional.

4. Liquidity Situation of Islamic Banking System

Excess liquidity of Islamic banking system stood at BDT 15.18 billion at the end of March 2024. The excess liquidity of full-fledged Islamic banks, Islamic banking branches and windows of conventional banks stood at BDT 6.05 billion, 2.95 billion and 6.18 billion respectively.



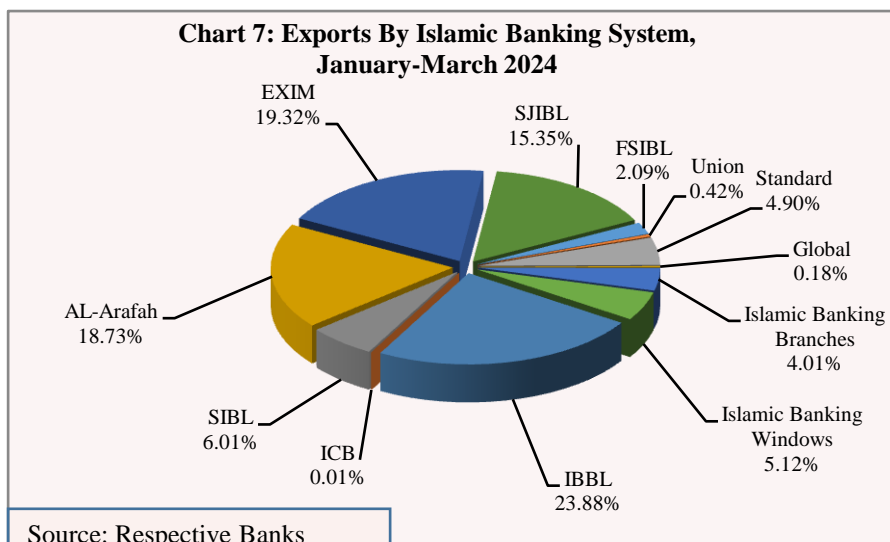
Summary of liquidity situation of Islamic banking system is shown in chart-6.

*= Excluding Islamic banking branches and windows of conventional banks.

5. Foreign Exchange Dealings and Remittance Mobilizations by Islamic Banking

5.1: Exports

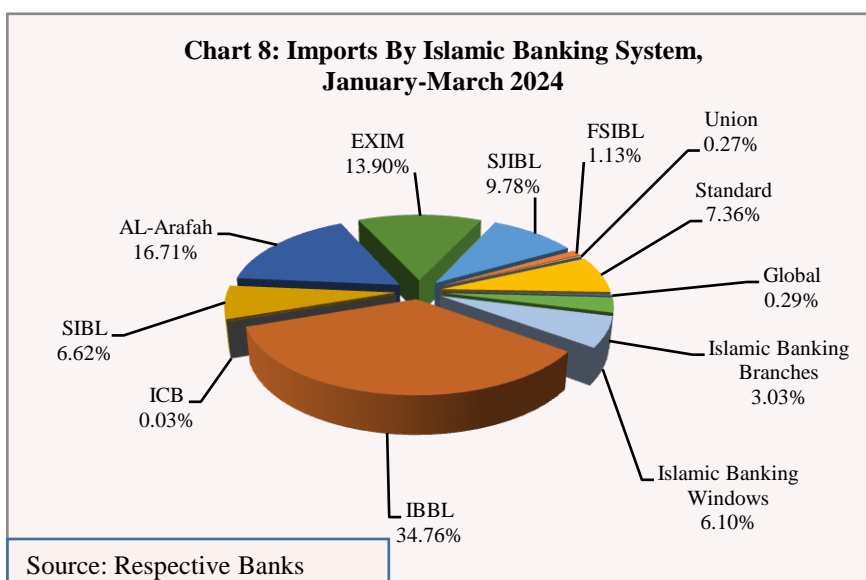
Total exports receipts by the Islamic banks stood at BDT 321.31 billion during January-March quarter of 2023. Among the Islamic banking system, Islami Bank Bangladesh PLC (23.88%) secured the top position in exports earning during January-March



2024, followed by, EXIM bank PLC (19.32%), AL-Arafah Islami Bank PLC (18.73%), Shahjalal Islami Bank PLC (15.35%), Social Islami Bank PLC (6.01%), Islamic banking windows (5.12%), Standard Bank PLC (4.90%), Islamic banking branches of conventional banks (4.01%), First Security Islami Bank PLC (2.09%), Union Bank PLC (0.42%), Global Islami Bank PLC (0.18%) and ICB Islamic Bank Ltd. (0.01%) [Chart-7].

5.2: Imports

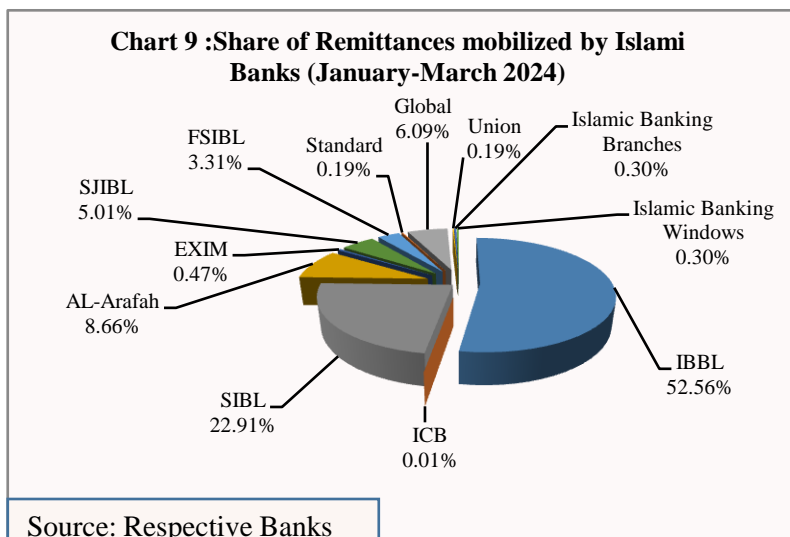
Total Imports payments by the Islamic banking system stood at BDT 504.36 billion during January-March 2024. Among the Islamic banking system, Islami Bank Bangladesh PLC secured the top position (34.76%) in Imports payments during January-March 2024, followed by Al-Arafah



(16.71%), EXIM Bank PLC (13.90%), Shahjalal Islami Bank PLC (9.78%), Social Islami Bank PLC (6.62%), Islamic banking windows (6.10%), Islamic banking branches of conventional banks (3.03%), First Security Islami Bank PLC (1.13%), Global Islami Bank PLC (0.29%), Union Bank PLC (0.27%), and ICB Islamic Bank Ltd. (0.03%) [Chart-8].

5.3: Remittance Mobilizations

Islamic banking sector is playing a vital role in collecting foreign remittances and distributing it among beneficiaries across the country. Total remittances mobilized by the Islamic banks stood at BDT 258.97 billion during January-March 2024. Among the Islamic banking system, Islami Bank Bangladesh PLC secured the top position (52.56%) in remittance mobilization during January-March 2024, followed by Social Islami Bank PLC (22.91%), Al-Arafah Islami Bank PLC. (8.66%), Global Islami Bank PLC (6.09%), Shahjalal Islami Bank PLC (5.01%), First security Islami Bank PLC (3.31%), Islamic banking branches of conventional banks (0.30%), Islamic banking windows of conventional banks (0.30%), Union Bank PLC (0.19%), Standard Bank PLC (0.19%) and ICB Islamic Bank Ltd. (0.01%) [Chart-9].



6. Corporate Social Responsibility (CSR) of Islamic Banking

Islamic banks undertake and implement various types of social programs under its Corporate Social Responsibility (CSR) activities. Sources of funds of Islamic banks available for CSR activities include *Zakat*, compensation charges (penal charges from defaulting investment clients), and Shariah-permitted other sources of earnings. These funds are spent among different types of education, training, health, and charity-based organizations in Bangladesh. Islamic banks serve the deprived and disadvantaged people those who are remain outside the purview of the conventional banking system due to extreme poverty. Islamic banks always try to make financial transactions based on human necessities and embark upon productivity-oriented projects or activities to reduce the incidence of poverty. Expenditure on CSR activities during January-March 2024 stood at BDT 0.85 billion which was BDT 1.29 billion in October-December 2023 and BDT 0.70 billion in January-March 2023.

7. Sustainable and Green financing

The Government of Bangladesh introduced the Green Financing Policy and encouraged banks and FIs to participate in offering green financing to promote environment-friendly economic activities for sustainable economic development in Bangladesh. In line with government's efforts BB has also been directed all banks and FIs to accommodate Environmental, Social and Governance (ESG) issues in their financing portfolio and credit/investment management through its policies and regulations.

Along with conventional banks, Islamic banks in Bangladesh are also playing the crucial role in promoting green financing, which refers to financial products and services to support environmentally sustainable projects and initiatives. Total Sustainable financing of the Islamic banking system stood at BDT 231.43 billion during January-March 2024 while number of beneficiaries were 1, 70,547. Among the total sustainable finance, green finance was BDT 26.51 billion and sustainable-linked finance was BDT 204.92 billion. The number of beneficiaries of green finance and sustainable-linked finance were 1,440 and 1, 69,107 respectively which are shown in Table -5.

Table-5: Sustainable and Green Financing by Islamic Banks during October-December 2023

(In Billion BDT)

Green Finance		Sustainable Linked Finance		Total Sustainable Finance	
1	2	3	4	5=(1+3)	6=(2+4)
Number of Beneficiaries	Total Amount	Number of Beneficiaries	Total Amount	Total Number of Beneficiaries	Total Amount
1,440	26.51	1,69,107	204.92	1,70,547	231.43

Source: Islamic banks, branches and windows of conventional banks.

8. Islamic Securities

This section focuses on Bangladesh Government Islamic Securities comprise of Sovereign Investment Sukuk and Bangladesh Government Islamic Investment Bond (BGIIB).

8.1: Sovereign Investment Sukuk

Bangladesh Bank on behalf of the Government has issued maiden sovereign investment Sukuk on 28 December, 2020 to raise BDT 80.00 billion for the implementation of the safe water supply project across the country. The overall cost of the project was estimated at BDT 88.51 billion of which BDT 8.51 billion has been provided by the Government². The Ministry of Finance and Bangladesh Bank are playing the role of originator and the special purpose vehicle (SPV) respectively for the Sukuk. In first phase, the Government collected BDT 40.00 billion for the projects through the auction held on 28 December, 2020 at 4.69 percent profit rate. The second auction was held in 9 June, 2021 to raise the remaining amount of the fund worth BDT 40.00 billion at 4.69 percent profit rate .

For implementation of the “Need Based Infrastructure Development of Government Primary Schools Project (1st Phase)” the third auction of Sukuk was held in 29 December, 2021 to raise BDT 50.00 billion at 4.65 percent profit rate. The forth auction of Sukuk was held in 20 April, 2022 to raise BDT 50.00 billion for “Important Rural Infrastructure Development Project on Priority Basis (IRIDP-3)” at 4.75 percent profit rate .

The total amount of Sukuk issued stood at BDT 180.00 billion till end of March 2024.

²https://www.bb.org.bd/mediaroom/notice/sukuk_prospectus.pdf

Profits of the Sukuk are paid to the investors on half-yearly basis. An investor needs to invest a minimum of BDT 10,000 in this security and there is no upper limit. Banks, corporate institutions and individuals are permitted to invest in the Sukuk which is matured in five years.

8.2: Bangladesh Government Islamic Investment Bond (BGIIB)

Bangladesh Government Islamic Investment Bond (BGIIB) introduced in 2004. It was the only approved Shariah compliant securities other than the newly issued Sukuk to maintain the SLR by the Islamic banks. However, the limitation of the BGIIB is that, Government cannot borrow from BGIIB fund due to absence of Shariah compliant projects. Given this, only Islamic banks can borrow from this fund in case of liquidity shortage which is mobilized through selling of the BGIIB securities based on mudarabah principle. Islamic banks avail this fund at a provisional rate of profit based on its mudarabah short notice deposit accounts which are adjusted after finalization of accounts and rate of profit of the concerned Islamic banks. Table-6 shows the trend of sale, financing and net balance of BGIIB from FY10 to FY23.

Table-6: Bangladesh Government Islamic Investment Bond

(In Billion BDT)

Year	Sale	Financing	Net Balance
FY23*	81.36	72.04	9.32
FY22	86.64	33.49	53.14
FY21	170.21	12.74	157.47
FY20	131.88	67.82	64.06
FY19	107.11	84.80	22.31
FY18	92.95	81.20	11.75
FY17	84.01	54.70	29.31
FY16	122.94	37.80	85.95
FY15	135.84	25.40	110.44
FY14	121.34	24.37	96.96
FY13	107.13	67.78	39.35
FY12	31.48	31.26	0.22
FY11	25.30	22.80	2.50
FY10	23.40	15.40	8.00

Source: Annual Report, Bangladesh Bank, Various issues.

*= Monetary Policy Department, Bangladesh Bank.

9. Major Initiatives Taken by Bangladesh Bank for Development of Islamic Banks and Islamic Financial Institutions during January-March 2024.

- In order to make interest/profit rates on loans/investments more consistent with monetary policy and maintaining economic dynamics, BB has further revised interest/profit rates on loans/Investments. According to the latest instructions of BB, interest/profit rates on loans/investments should be determined by adding maximum 3.50% margin to the SMART. In case of pre-shipment export loans and agricultural & rural loans maximum 2.00% margin should be added to the SMART (Source: BRPD Circular Letter No-16, Date: 31/03/2024)³.

³ For details: https://www.bb.org.bd/mediaroom/circulars/circular_letters.pdf

- In order to follow the uniform collection procedure of supervision charges and to ease the payment of the supervision charges in an efficient way, BB has issued guidelines to be followed by all banks including shariah based Islamic banks (Source: BRPD Circular Letter No-14, Date: 18/03/2024).
- To streamline trade transactions, promote paperless processes and to ease of doing business, BB has launched the Online Foreign Exchange Transaction Monitoring and Management System (FX Dashboard). Banks are now instructed to upload information on overdue EXPs to the Online Monitoring System instead of submit the hard copies (OEMS)(Source: FEOD Circular No: 01, Date: 03/03/2024)³.
- As Bank Companies are now facing greater challenges and technical risks than ever before, BB has been given clear instructions to the all scheduled banks including Islamic banks regarding the appointment of Managing Director or Chief Executive Officer (CEO) to ensure good-governance in the banking sector (Source: BRPD Circular Letter No-04, Date: 27/02/2024)³.
- With a view to covering country's all sections of people (especially the elderly people) in a sustainable and well-organized social safety net system, BB has been given direction to all Finance companies to take necessary measures to encourage the officers and employees working in finance companies to participate in the government declared Universal Pension Scheme (Source: DFIM Circular Letter No-04, Date: 19/02/2024)³.
- In order to implementation the declared roadmap for banking sector importance has been given to write-off the loans/investments and its recovering process. To ensure the recovery of write-off loans/investments BB has instructed to all banks including shariah based Islamic banks to follow certain rules/regulations including to form a separate unit named "Written off Loans/Investment Recovery Unit" at the head office under the direct supervision of the MD or CEO of the banks (Source: BRPD Circular Letter No-04, Date: 18/02/2024)³.
- Considering the local foreign exchange market dynamics, it has been decided to introduce currency swap between Bangladesh Bank and Commercial Banks. For shariah based Islamic Banks the conditions are as follows:
 - a. At the near-leg, BDT will be sold in exchange for approved foreign currencies at the spot rate. At the far-leg, the deal shall be settled applying the same exchange rate.
 - b. Swap deal shall be executed within the counterparty limit to be set by Forex Reserve and Treasury Management Department (FRTMD) of Bangladesh Bank.

³ For details: https://www.bb.org.bd/mediaroom/circulars/circular_letters.pdf

- c. Each deal shall be multiples of 1.00(one) million of the foreign currency, starting from a minimum value of 5.00 (five) million and equivalent BDT with a tenor of 7 to 90 days.
- d. Rollover may be allowed applying the prevailing rates (Source: FE Circular No. 06, Date: 15/02/2024)³.
- To ensure good governance in the banking sector and running business activities efficiently BB has issued guidelines to be followed by all scheduled banks for formation of the Board of Directors and the duties and responsibilities of the Directors (Source: BRPD Circular Letter No-02, Date: 11/02/2024)³.

10. Recommendations

Islamic banking system has been playing significant role in mobilizing deposits and financing in various economic activities in Bangladesh since its inception. At present, Islamic banking system has been representing more than 26 percent share of deposit and 28 percent share of investment of the whole banking sector. The other systems of Islamic financial sector such as Islamic capital market, Islamic insurance (Takaful) and microfinance sector may also flourish systematically if supportive policies are adopted and implemented.

- Although Islamic banking activities are growing in Bangladesh, the number of rural branches of full-fledged Islamic banks has not kept pace with demand. They may focus more on expanding their outreach into rural areas.
- Islamic banks may invest more in socially beneficial industries, particularly in agriculture and small businesses. The investments made by Islamic banks in ideal Islamic modes like Mudaraba and Musharaka are still at a minimal level. Given this, Islamic banks need to pay more attention to develop proper guidelines and policies to promote investments under Mudaraba and Musharaka modes.
- Islamic banks may also explore new customers in microfinance projects, supporting woman entrepreneurs and meeting the financial needs for government agencies, which may give Islamic banks a great advantage to flourish.
- To make efficient use of excess liquidity of the Islamic banking sector, more innovative Islamic money market and capital market products are introduced. The recent introduction of Sukuk and its huge responses from the investors indicate that it will facilitate smooth liquidity management of Islamic banks which may also help deficit financing of the government budget and promote Islamic capital market in the long run.

³ For details: https://www.bb.org.bd/mediaroom/circulars/circular_letters.pdf

- Islamic banks can play more effective role in financial inclusion and can deepen financial markets by offering new modes of finance and attracting unbanked populations that has not yet been participated in the financial system.
- The needs for creating new Islamic financial instruments and modes, and developing the current ones can only be met by amelioration of employee's skills and knowledge through scientific research and training. Efforts also need to be intensified professionally to further enhance its competitiveness to occupy larger share in the local as well as global financial markets.
- The amount of green financing of Islamic banking system is not significant relative to their total financing. In order to contribute in green financing efficiently, Islamic banks in Bangladesh may align their strategies and operations with environmental sustainability goals of the government and properly follow the guidelines of BB as well.
- Islamic banks may enhance their CSR activities for socio-economic development aiming to serve humanity through different philanthropic activities giving emphasis on health, education, disaster management, rehabilitation, poverty eradication and so on.

11. Conclusion

In conclusion we can say that, Islamic banking system has already been able to establish itself as an alternative funding source in economic development of Bangladesh. So in the context of recent global macroeconomic challenges and financial pressures in major economies, the fast expanding pool of shari'ah compliant liquidity may become an attractive source of various economic activities to meet their financing needs.

Table-1: Number of Islamic Banks, Branches and Windows

SL	Full-fledged Islamic Banks	No. of Branches	Conventional Banks having Islamic Branches	No. of Branches	Conventional Banks having Islamic Windows	No. of Windows
1	Islami Bank Bangladesh PLC	394	Prime Bank PLC	5	NRBC Bank PLC	338
2	Al-Arafah Islami Bank PLC	217	Southeast Bank PLC	5	Agrani Bank PLC	60
3	First Security Islami Bank PLC	205	Bengal Commercial Bank PLC	4	Sonali Bank PLC	58
4	Social Islami Bank PLC	179	Dhaka Bank PLC	2	Mercantile Bank PLC	45
5	EXIM Bank PLC	151	Premier Bank PLC	2	Trust Bank Limited	30
6	Shahjalal Islami Bank PLC	140	Jamuna Bank PLC	2	Premier Bank PLC	25
7	Standard Bank PLC	138	One Bank PLC	2	Pubali Bank PLC	22
8	Union Bank PLC	114	Bangladesh Commerce Bank Limited	2	Mutual Trust Bank PLC	15
9	Global Islami Bank PLC	101	The City Bank PLC	1	One Bank PLC	14
10	ICB Islamic Bank Limited	33	AB Bank PLC	1	Meghna Bank PLC	10
11			Bank Al-Falah Limited	1	United Commercial Bank PLC	10
12			NRB Bank Limited	1	South Bangla Agriculture & Commerce Bank PLC	10
13			United Commercial Bank PLC	1	Bank Asia PLC	5
14			National Credit & Commerce Bank PLC	1	Standard Chartered Bank	1
15			Mercantile Bank PLC	1	Midland Bank PLC	1
16					Rupali Bank PLC	2
17					Janata Bank PLC *	
Total	10	1672	15	31	16	646

Sources: Respective Banks. *Janata Bank PLC has obtained permission for starting Islamic Banking window from Bangladesh Bank, but not yet started operation.

Table-2: Basic information on Islamic Banking: January-March 2024

(In Billion BDT)

Indicators of Islamic Banking	January-March 2024 ^P	October-December 2023	January-March 2023	Changes		Changes (%)	
				Quarterly	Annual	Quarterly	Annual
1. Total Deposits*(Outstanding)	4,394.65	4,434.03	4,116.31	-39.38	278.34	-0.89	6.76
a) Full-fledged Islamic Banks	3,995.49	4,038.50	3,795.24	-43.00	200.25	-1.06	5.28
b) Islamic Banking Branches of CB	183.71	191.21	153.80	-7.51	29.91	-3.93	19.44
c) Islamic Banking Windows of CB	215.45	204.33	167.27	11.13	48.18	5.45	28.81
2. Total Investment** (Outstanding)	4,569.94	4,449.74	4,123.97	120.20	445.97	2.70	10.81
a) Full-fledged Islamic Banks	4,254.32	4,146.80	3,881.01	107.51	373.31	2.59	9.62
b) Islamic Banking Branches of CB	149.92	146.92	129.85	3.00	20.06	2.04	15.45
c) Islamic Banking Windows of CB	165.71	156.02	113.11	9.69	52.60	6.21	46.50
3. Investment-Deposit ratio[#]	0.97	0.93	0.92	0.04	0.05	4.30	5.43
a) Full-fledged Islamic Banks	0.99	0.96	0.94	0.03	0.05	2.69	4.86
b) Islamic Banking Branches of CB	0.74	0.69	0.73	0.04	0.01	6.19	0.84
c) Islamic Banking Windows of CB	0.73	0.73	0.65	0.00	0.08	0.00	12.00
4. Liquidity (Excess(+) / Shortfall (-))	15.18	66.43	21.03	-51.25	-5.85	-77.14	-27.82
a) Full-fledged Islamic Banks	6.05	56.47	8.05	-50.43	-2.01	-89.29	-24.90
b) Islamic Banking Branches of CB	2.95	3.83	7.75	-0.88	-4.80	-22.90	-61.94
c) Islamic Banking Windows of CB	6.18	6.13	5.23	0.05	0.96	0.88	18.27
5. Total Exports	321.31	370.61	292.53	-49.30	28.78	-13.30	9.84
a) Full-fledged Islamic Banks	291.97	303.90	271.91	-11.93	20.06	-3.93	7.38
b) Islamic Banking Branches of CB	12.89	35.40	13.32	-22.51	-0.43	-63.58	-3.23
c) Islamic Banking Windows of CB	16.45	31.31	7.30	-14.86	9.15	-47.47	125.40
6. Total Imports	504.36	537.36	416.32	-33.00	88.03	-6.14	21.15
a) Full-fledged Islamic Banks	458.28	423.19	378.90	35.09	79.38	8.29	20.95
b) Islamic Banking Branches of CB	15.31	56.60	16.64	-41.29	-1.33	-72.96	-8.00
c) Islamic Banking Windows of CB	30.77	57.57	20.79	-26.80	9.98	-46.55	47.99
7. Total Remittances	258.97	242.66	306.09	16.31	-47.12	6.72	-15.39
a) Full-fledged Islamic Banks	270.17	239.32	304.33	30.85	-34.16	12.89	-11.22
b) Islamic Banking Branches of CB	0.82	1.98	1.14	-1.16	-0.32	-58.39	-27.76
c) Islamic Banking Windows of CB	0.81	1.35	0.62	-0.55	0.19	-40.31	29.85
8. Total Number of Branches	1,703	1,700	1,684	3	19	0.18	1.13
a) Full-fledged Islamic Banks	1,672	1,670	1,661	2	11	0.12	0.66
b) Islamic Banking Branches of CB	31	30	23	1	8	3.33	34.78
9. Islamic Banking Windows of CB	646	624	550	22	96	3.53	17.45
10. Total Number of Manpower	51,272	50,306	50,143	966	1,129	1.92	2.25
a) Full-fledged Islamic Banks	49,742	48,883	48,844	859	898	1.76	1.84
b) Islamic Banking Branches of CB	630	561	495	69	135	12.30	27.27
c) Islamic Banking Windows of CB	900	862	804	38	96	4.41	11.94

Source: Respective Banks, * = Including all items, P= Provisional, CB= Conventional banks, # = Excluding EDF and Refinance, **Excluding bonds and securities and interbank items.