Project Report

On

Islami Banking industry in Bangladesh and their financial investment

UTTARA UNIVERSITY

Quality Education at Affordable Tuition

Project Report

On

Islami banking industry in Bangladesh and their financial investment

Submitted to

MD. ANISUZZAMAN

Assistant Professor

Department of business administration

Uttara University

Submitted by

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Id: 2161011137

Batch 39th (c)

BBA Program

Uttara University

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Letter of Transmittal

30th August 2020

MD. ANISUZZAMAN

Assistant Professor

Department of Business Administration

Uttara University

School of Business

Subject: project Report on islami bank Bangladesh limited and financial investment

Dear Madam,

I, am Md. Yousuf Ali Shakil, ID: 2161011137 Major in Finance, a regular student of Uttara University. It is my privilege to let you know that as part fulfillment of the necessities for the degree of Bachelors of Business Administration (BBA), I have completed my report titled "Islami bank Bangladesh limited and Financial investment"

I tried my best to show all the information in this report that I have collected during the internship period. I wish the report would satisfy your desire and standard. I must mention here that, I am really glad to you for your continuous attention, valuable supervision and tireless effort in preparing this report.

I hope you will asses my report considering the limitations and mistakes of the study, and sincerely believe you will find the study very interesting and informative.

Thank you.

Sincerely yours

Md. Yousuf Ali Shakil

ID : 2161011137

Batch : 39th

Section : (c)

Department of Business Administration

Uttara University

Letter of Authorization

I am pleased to certify that the project \ report on Islami Banking industry in Bangladesh and their financial investment conducted by Md. Yousuf Ali Shakil ID No: 2161011137 BBA Program, Department of Business Administration has been approved for presentation and defense. Md. Yossuf Ali Shakil worked with topic of Islami Banking industry in Bangladesh and their financial investment under my supervision.

Yousuf Ali Shakil bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish her all success in life.

……………………………..

Signature of the Supervisor

MD. ANISUZZAMAN
Assistant Professor
Department of Business Administration
Uttara University
School of Business

Preface/Acknowledgements

First of all, I want to express my special gratitude to Almighty Allah for giving me the opportunity & strength to complete the report on time.

The Internship Report titled Financial Performance Evaluation of Dhaka Bank Ltd is prepared and designed on the basis of journal articles

I am deeply indebted to a large number of people for their kind suggestion and cooperation. I would like to give special thank you to my Academic supervisor Asheka Mahboob Mam, who was very kind to supervise, instruct and direct me to complete my Internship report.

I would like to thank Mohammad Afsar Kamal sir, Coordinator, MBA & EMBA Programs, DR. A S M SHAHABUDDIN sir, Dean Uttara university, MR. KAZI TAREQ ULLAH Associate Professor And Chairman of Uttara university, for giving me the opportunity to complete my project report in this pandemic situation.

Lastly, I sincere gratitude to all the wonderful people of Uttara University (my teacher, my classmates and others) for supports and understanding. It would be impossible to make report without their help.

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Summary/Abstract

The project report on Islami bank Bangladesh limited and financial Investment. A Look from Islami Bank Ltd. The purpose of the study are to evaluate and analyze the Performance of Investment about Islami Bank Bangladesh Limited, to know out the performance of investment process and recovery system, to analyze different modes-wise investment, to analyze sector-wise and division-wise investment, to evaluate the investment performance of IBBL within the banking industry. Both Primary and secondary data are used to prepare this report.

The report is design by five section and some questioner has been solved to the section. In section – one: Justification the reasons for conducting the study and its importance. Section - two: Objective of the study it tell about what I want to study, and what I want to achieve through the study. Section – three: Methodology it tells about I collect information and make them usable. Section – four: discussion here is the details discussion about the report some chat and tables also use there. The last one is future forward some questioner have been made in this section.

Thus, they are playing a pivotal role in enhancing the pace of the country's economic wheel. Islamic banks are contributing to the national economic development inclusive of industrialization, SME, agriculture and agro-based industries, strengthening rural economy, entrepreneur development, women's empowerment, investment diversification, and poverty alleviation and serving expatriate customers through intensive care

Some recommendations of the report are: IBBL has an increasing trend of deposits. They need to maintain and improve this trend by extending Branches, introducing newer schemes, and providing more improved customer service. They should establish separate Recovery Unit, and division wise recovery monitoring team to reduce the classified investment. The customers should be analyzed by collection information from credit information bureau or past behavior.

❖ Section-1: JUSTIFICATION OF THE STUDY

- **What motivated me to study this?**

I did a day long workshop in Islami Bank Training and Research Academy on the topic of Financial Education for the Youth with a View to Implementing SDGs. That time I knew that there is a opportunity for interne student to do there internship program. But that couldn’t possible in this situation so that I decided to do my project work on this topic.

- **The reason why am I interested in this topic?**

I thing the banking system of Islamic bank is very unic. I want to know the roles and contributions of IBBL in the economic development of Bangladesh. How interest free bank functions besides many established conventional banks in the country. Although conventional banks are rendering financial services for a long period. I learned about the current Islamic banking scenario of Bangladesh, key concepts of Islamic banking and its history in the world and in Bangladesh

- **How is this study going to help me in ……… (doing something) now or ……. (getting something)**

in future?

Islamic banking, a new genre of the Shari’ah-based banking system, has been able to prove its proficiency and augur its potentials in recent years with the average annual growth of 18 percent, despite the global recession and diverse challenges confronted by various banks in Bangladesh pursuing the conventional banking system. A dominant indicator of the continued growth of Islamic banking practices is that current assets of more than 500 Islamic financial institutions amounted to be about two trillion U.S. dollars. It is expected that the amount will exceed 5 trillion U.S. dollars in the next five years. Now, Islamic banking has 38 million customers across the globe. Of them, 13 million or 35 percent are in Bangladesh alone. Moreover, the biggest Shari’ah-based Islamic bank in Bangladesh contains 50 percent of the global microcredit. So I think this project work will help me to know something about the banking system of Islamic bank in Bangladesh.

❖ Section-2: OBJECTIVES OF THE STUDY

The key objectives of the study are:

- ✓ To review the distinctive concepts of Islamic banking
- ✓ To investigate and explain the roles and contributions of IBBL in the economic development of Bangladesh.
- ✓ The reasons which attract consumers towards Islamic banks
- ✓ To discuss Islamic banking services and operation in Bangladesh;

- ✓ To have knowledge about the investment process of IBBL and to analyze the investment and its growth over the year.

❖ Section-3: METHOD

This is a secondary databased project report. Information has been collected from various secondary

sources like journal articles, books and different websites. Ten article has been analyzed to conduct this report.

❖ Section-4: DISCUSSION

- ➢ **Objective-1: I wanted to know/learn/understand more about……**

What did I learn?

The current Islamic banking scenario of Bangladesh, key concepts of Islamic banking and its history in the world and in Bangladesh From the establishment of first Islamic bank in 1983, this country has currently eight Islamic banks. Except one individual bank (ICBIBL), as well. . Islamic banking is responsible not only to avoid riba, but also to avoid unethical practices and participate actively in achieving the welfare goals in an Islamic economy. Islamic banking products and services are gaining popularity among non-Muslims across the globe. The Bank is working in the export sector from the very beginning resulting in maximizing export earnings as well as creating employment opportunities in Bangladesh. The Bank has already emerged as the top export-import bank in Bangladesh. The role of Islamic banking in economy is still heavily debated. The legal and regulatory framework in Islamic banking is more important rather than its function. But there is no independent body for regulating Islamic banking sector in Bangladesh. between Islamic banking and green banking that contribute to sustainable development

Significant finding of the study manifests the different areas of economic progress in Bangladesh by IBBL like generating employment, earning foreign remittance, strengthening rural economy, promoting ecology and green banking enhancing industrialization, emerging the SMEs assisting in foreign trade (import-export), rising the housing sector, etc. This study contributes to the field of economic development of Bangladesh the role of IBBL behind it, especially where there is a lack of literature in this specific area.

How?

To learn about this topic I select 10 article on the banking sector of Islamic bank Bangladesh limited. The articles are based on different area of Islamic bank and this article help me to know about the scenario of Islamic bank their advantage problem rolls and regulation and many others thing about the Islamic bank Bangladesh limited

Wherefrom?

From the articles I selected for my project and also some web side, journal, and publications related to Islamic banking practices in global economies and in the country. I read all articles in details to gather information to my project.

Who told?

By discussing with my project supervisor I select this topic. As I earlier said that I was interested to do my internship program on Islamic Bangladesh limited. For that I decided to do my project work on on the topic of Islami banking industry in Bangladesh.

Summarization of my main/major discoveries (new learning)?

It is well-known that Shariah[1] is the basis for Islamic banking. The rules and practices of fiqh muamalat are derived from the Holy Quran and the Sunnah, and other secondary sources of Islamic law such as opinions collectively agreed among Shariah scholars (ijma'), analogy (qiyas) and personal reasoning (ijtihad). More specifically, two sources have been identified for Shariah: primary and secondary sources. Qur'an is the first primary source of Shariah. Sunnah is the second primary source. Sunnah generally refers to all that is narrated from the Prophet, his acts, his sayings, whatever he tacitly approved, plus all the reports that describes his physical attributes and characters (Kettell, 2011). Thus Sunnah is the second source of the Sharia'a after Qur'an; scholars of Islamic laws are to observe the order of priority. The secondary sources are Ijma, Qiyas and Istihad. Ijma means consensus of juristic opinions of the Scholars. Qiyas .i.e. analogical reasoning, suggests an equality or close similarity between two things, one of which is taken as the criterion for evaluating the other. The Arabic word Ijtihad literally means an effort or exercise to arrive at one's own judgment. In its widest sense, it means the use of human reason in the elaboration and explanation of Shariah law. Qiyas or analogical reasoning, then, is a particular form of Ijtihad, the

[1] An Arabic term which means path to be followed (Kettell, 2011).

method by which the principles established by the Qur' an, Sunnah and Ijma are to be extended and applied to the solution of new problems not expressly regulated before (Kettell, 2011).

First Credit Card by Local Islamic Bank :-

EXIM bank issued credit card under Shariah principle. Under this scheme, they have issued two types of cards: one is Gold card and another is Classic card. The annual fees for gold card and classic card are Tk. 1200 and 700 respectively. They have also dual currency card under the same scheme. The annual fees for dual currency gold card and classic card are USD50 and USD25 respectively. These cards are issued under Murabaha principle. When a customer uses the card at a POS by purchasing something then that amount are to be paid before due date in the next month without incurring any extra charge. If the customer carries the amount beyond due date, then he/she has to pay 2 percent profit on the purchased amount, but this 2 percent profit will not be compounded in the next month despite its carrying on the outstanding balance. Apart from those, if a customer uses the card at the ATM for taking cash, then 2 percent service charge or minimum Tk. 100, whichever is higher, is levied for the customer.

Source: Exim Bank Ltd.

- **Objective-2: I wanted to describe/explain/analyze…………**

Bangladesh is the world's third largest Muslim majority country, with Muslims making up more than 85 percent of the population; A significant portion of the population demanding interest-free banking for quite a long time. In August 1974, Bangladesh signed the Charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah1. As a consequence of this, the first interest-free Shariah-based bank in South and Southeast Asia, Islami Bank Bangladesh Limited was established in Bangladesh in 1983. Since then, six more full-fledged private Islamic banks, 10 conventional banks with parallel Islamic banking services and a number of conventional banks with Islamic banking windows have been established (Recently government has given 9 more banks to operate in Bangladesh).

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2 State owned specialized banks and 3 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Of the 56 scheduled banks4 currently operating in Bangladesh, 8 are Islamic Shariah based banks (IBs).

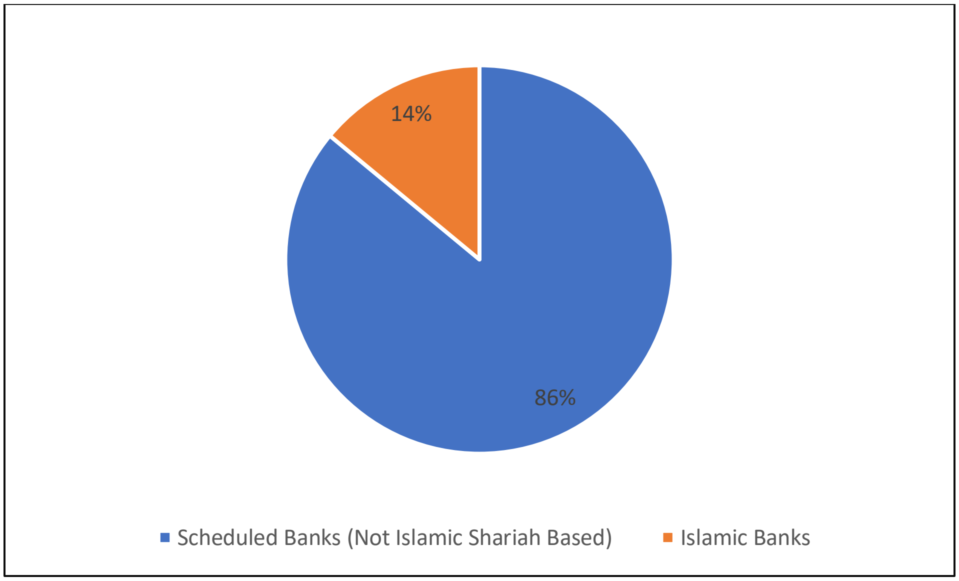

Figure 1: Portion of Islamic Banks in the Industry

Modes of Investment in Islamic Banking

The nature of Islamic banking is based on risk-sharing, owning and handling of physical goods, involvement in the process of trading, leasing and construction contracts using various Islamic modes of finance. Different modes have been prescribed in the available literature (Peter, 1992; Ayub, 2007; Ahmad, 2008) that comply with the Islamic *Shariah:* Partnerships or *Mudaraba/Musharaka*; Cost plus profit sale or *Murabaha*; Credit sales or *Bai-muajjal*; Leasing or *Ijara;* Islamic forwards or salam and Istisna (table-2). According to Usmani (1998) the partnership products like *Musharakah* and *Mudarabh* are ideal instruments of financing according to the Shariah. Murabaha is the most widely used instruments in Islamic finance. Nowadays the Home Finance and Islamic mortgage are based on the concept of Ijara and it is very successful tool in Islamic banking. Islamic forwards or Salam is not very commonly used.

Islamic banking, a new genre of the Shari'ah-based banking system, has been able to prove its proficiency and augur its potentials in recent years with the average annual growth of 18 percent, despite the global recession and diverse challenges confronted by various banks in Bangladesh pursuing the conventional banking system.

A dominant indicator of the continued growth of Islamic banking practices is that current assets of more than 500 Islamic financial institutions amounted to be about two trillion U.S. dollars. It is expected that the amount will exceed 5 trillion U.S. dollars in the next five years. Now, Islamic banking has 38 million customers across the globe. Of them, 13 million or 35 percent are in Bangladesh alone.

Moreover, the biggest Shari’ah-based Islamic bank in Bangladesh contains 50 percent of the global microcredit.

The Islamic banks have been making significant contributions to the process of poverty reduction, inclusive growth and economic development of the country. Public demand and market share of this approach are growing by degrees. With 18 percent market share, Islamic banking in Malaysia has achieved the fame of Shari’ah banking center (Hub) of the world. With a limited number of Islamic banking products, the United Kingdom and Singapore are striving to attract Islamic banking in emerging markets through simplification of the financial policies. With more than one-fifth market share of the country, one-third share of the global Islamic banking customers and fifty percent share of the global Islamic microcredit, Bangladesh has the potentials to be an important center of Islamic banking on the global map with the help of competent leadership, incentives, and appropriate branding.

Islamic Banking is now a well-established industry in Bangladesh, with a 21.1% of market share and plays a vital role in the country’s economic growth. Though there is no complete Islamic banking act for controlling, guiding and supervising the Islamic banks in Bangladesh, some Islamic banking provisions have been incorporated in the amended Banking Companies Act, 1991 (Act No. 14 of 1991).

Challenges of Islamic Banking in Bangladesh

Islamic banks in Bangladesh have been encountering numerous challenges. First, they have not yet been successful in devising an interest-free mechanism to place their funds on a short-term basis. They face the same problem in financing consumer loans and government deficits. Second, the risk involved in profit-sharing seems to be so high that almost all of the Islamic banks in Bangladesh have resorted to those techniques of financing, which bring them a fixed assured return. Presently 60%-70% investments of Islamic banks are made on mark-up basis (Murabaha and Bai-Muajjal etc.). As a result, the ideal modes of investment (Mudaraba and Musharaka) are quite absent in their practices. [Ahmad, A. U. F., Rashid, M., & Shahed, A. K. M. (2014).]

IBBL is the pioneer of banking system which has operated based on Islamic shariah, and it’s all activities are controlled by Islamic economics. There are mainly two basic principles of IBBL. First one is sharing of profit & losses; Secondly, the prohibition of receiving or payment of interest on its transactions. IBBL avoid not only interest based transactions but also economic activities that are involved in oppression (zulum) and speculation (gharar

Year wise deposit of IBBL:

Deposit is the "life blood" of a bank. Bank has given utmost importance in mobilization of deposits introducing a few popular and innovative schemes. Bank collects deposit at lower profit and makes investment at a higher profit. Therefore, in analyzing the investment activities of IBBL is important to know the deposit performance of the bank.

Year	2010	2011	2012	2013	2014
No. of Depositors	4591463	4939502	6004731	7031297	8538969
Account Increased	229567	348039	1065227	1026566	1507672
Growth	5%	8%	16.2%	17%	19.68%

Table- 01: Financial performance of IBBL

In terms of deposit collection, investment, and foreign exchange business the Islami Bank Bangladesh Limited (IBBL) place the position of being the leading other banks, IBBL has been continuously operating their banking activities and to provide efficient banking service with a view to accelerate socio-economic development of the country in Shariah complied manner from the incorporation in 1983.

International Journal of Ethics in Social Sciences, Vol. 4, No. 1, June 2016

Financial performance of IBBL

Deposits:

year	2010	2011	2012	2013	2014
Deposit(Tk)	291936.6	341854	417844	473141	560696

Table- 02: deposits of IBBL

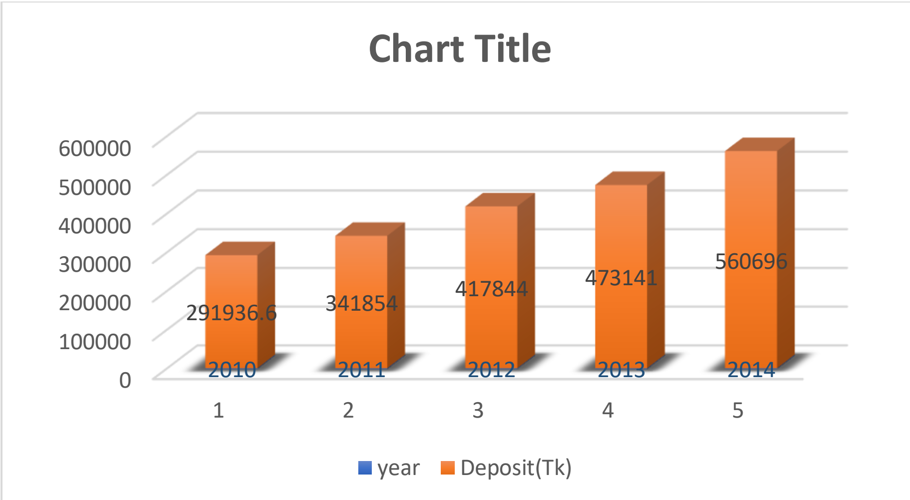

Figure 1: Deposit of IBBL

Investment

year	2010	2011	2012	2013	2014
Investment(Tk)	275494	322772	399931	474016	564332

Table- 03: year wise investment of IBBL

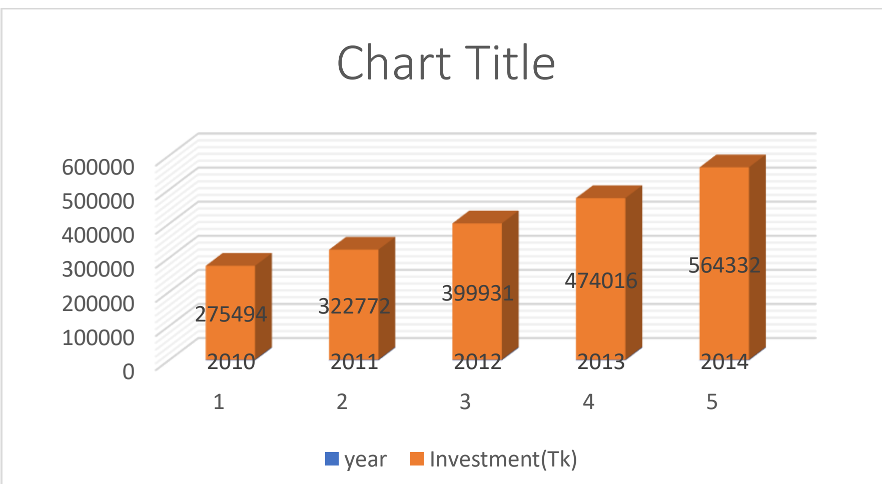

Figure- 02: Investment of IBBL

Profit

year	2010	2011	2012	2013	2014
Total income	30128.9	38401.29	50017.79	56093.75	58047.03
Total Expenditure	25665.43	33559,84	44678.88	51145.17	54050.97

Table- 04: year wise profit of IBBL

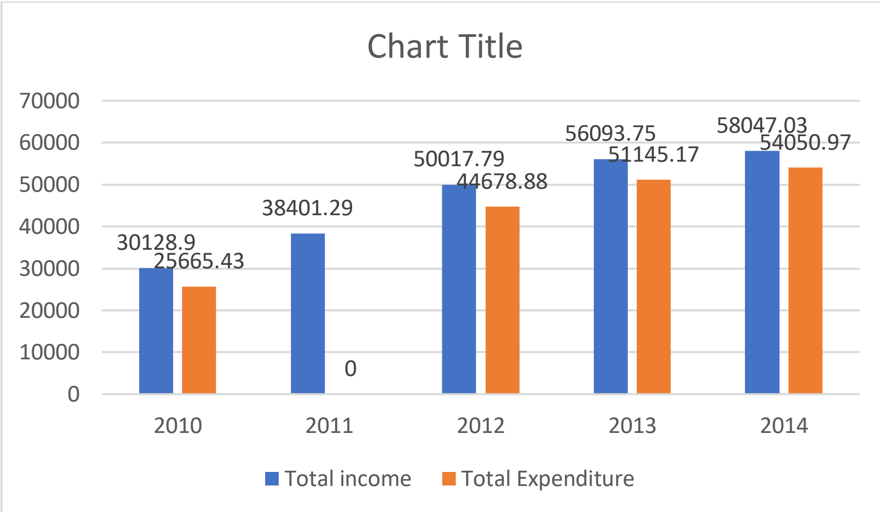

Figure- 03: profit of IBBL

Equity

As per Capital Adequacy Policy prescribed by Bangladesh Bank, the Central Bank of the Country, banks has maintained 10.81% Capital on its Risk-Weighted Assets against which total equity of the Bank as on 31-12-2014 stood at Tk. 48570 Million. This was:

Date	Amount of TAKA
31-12-2014	48570 million
31-12-2013	45487 million
31-12-2012	42053 million
31-12-2011	33717 million
31-12-2010	28400 million

Table- 05: Equity of IBBL

Bangladesh is one of those countries where Islamic finance markets have systemic significance. The Islamic Financial Services Board (IFSB) has apportioned the top category of “systemic importance” to the Islamic Banking industry in Kuwait, Saudi Arabia, UAE, Bangladesh and Malaysia.

Investment

Various Islamic financial institutions, especially in Islamic countries offer various types of investment products that are free of Riba or interest. An Islamic investment fund is usually one in which a number of people pool their money and the money is in turn invested in an Islamic legal manner. Definition of investment funds by the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI) is- "Funds are investment vehicles, which are financially independent of the institutions that establish them. Funds take the form of equal participating shares/units, which represent the shareholders‟/unit holders‟ share of the assets, and entitlement to profits or losses. The funds are managed on the basis of either Mudaraba or agency contract."

Islamic Banking Legal and Regulations in Bangladesh is an important jurisdiction for Islamic Finance, being the third -largest Muslim country in the world, with a population of 160 Million Muslims forecasted at year-end 2013. The popularity of Islamic banking is growing at a rapid pace in Bangladesh.

Bangladesh Bank has not yet set up any separate department at its head office to control, guide and supervise the operation of the Islamic banks. Inspection and supervision of the Islamic banking operations are conducted by the Bangladesh Bank as per the general guidelines framed for the conventional banks. The role of Bangladesh Bank in controlling, guiding and supervising the Islamic Banks in Bangladesh in accordance with Islamic Shariah is at a preparatory stage.

Analysis I learned or the analysis I can make?

To establish Islamic Banking through the introduction of a welfare oriented banking system and also ensure equity and justice in the field of all economic activities, achieve balanced growth and equitable development in through diversified investment operations particularly in the priority sectors and least developed areas of the country. To encourage socio-economic upliftment and financial services to the loss-income community particularly in the rural areas.

However, Islamic banking in Bangladesh is facing numerous problems or challenges. First, they have not yet been successful in devising an interest-free mechanism to place their funds on a short-term basis.

Studies conducted on Islamic banking in Bangladesh show that the future of Islamic banks hinges on their ability to find a viable alternative to interest for financing all types of loans.

The legal and regulatory framework in Islamic banking is more important rather than its function. But there is no independent body for regulating Islamic banking sector in Bangladesh. I thing that an independent body should be established for the regulation of Islamic banking in Bangladesh.

Diagram 2.4: Financial Regulatory Bodies in Bangladesh

Bangladesh Bank Securities and Exchange	Bangladesh Bank Securities and Exchange	Bangladesh Bank Securities and Exchange
• Regulates Islamic Banking sector	• Regulates Islamic Market sector	• Regulates Islamic

Source: Regulatory authorities, KFHR

Although there is no dedicated Islamic banking act or legislation to control, guide and supervise Islamic Banks in Bangladesh.

Some Islamic banking provisions have already been incorporated in the amendment Banking Companies Act 1991(Act no.14 of 1991).

Bangladesh bank inspects, and supervises Islamic banks operations according to the regulations set down for conventional banks.

The Shariah Councils of individual banks are responsible for ensuring Shariah compliance within their own organizations; the central bank examines only their reports.

The situation in Bangladesh is unique in so far as a sizeable Islamic Banking sector exits, but the country lacks specific Islamic finance regulations and important segments of a comprehensive Islamic finance industry.

The resulting vulnerabilities of Islamic banking sector have been recognized and are to be addressed by the authorities.

Furthermore, the huge potential of Islamic finance in support of inclusive growth has also been recognized, and efforts are being made to create an environment that is conducive to realizing this potential.

The analysis I can make

Legal certainty is of prime importance for the further development of the industry, in particular with respect to cross-border transactions.

The existing legal, regulatory and tax environment should be amended or adjusted to accommodate specificities, of Islamic finance.

The final aim should be the creation of a comprehensive and consistent legal and regulatory framework for all sectors for the Islamic financial services industry.

National Shariah boards can contribute to legal certainty and reduce shariah non-compliance risks. However; Islamic banking system can flourish even we do not have a superior national authority for finance related shariah interpretations.

If governments or regulators take a more neutral position, they may prescribe just the minimum shariah governance structures for Islamic banking sector but abstain from the establishment of national shariah boards.

Legal certainty includes that court decisions are made by judges who have sufficient understanding of Islamic finance. This cannot be taken for granted in countries where Islamic finance laws are recent phenomena that did not exist when today's judges were studying law and starting their professional careers

➢ Objective-3: I wanted to convince/tell my readers that…….

The most interesting learning that I will share now is….

Once it was a myth to open an Islamic bank and to help the bank survive competing with the interest-based magnificent local banks like United, Habib, National and so on. Since the establishment of the Dubai Islamic Bank in 1975, over 277 Islamic banks had established in 70 countries around the world. Nowadays, the dream has become true. In South Asia Islami bank Bangladesh limited (IBBL) commenced its activities with an authorized capital of Tk. 500million in 1983. From the very beginning till now IBBL has opened 251 branches all over the country and the number of employees is 10,068 (IBHBL, 2011). This gas been possible due to its unique principles enacted by the Shariah council originated from Islamic jurisprudence. This bank is unique in nature because on one hand it always prohibits interest completely, on the other hand takes part of loses according to the stipulated agreement. It treats a client as a partner and operation follows profit-loss system. So, inevitably IBBL has achieved utmost faith of its client and become one of the top thousand bank of the world. Besides IBBL has introduced a lot of new schemes like Green Banking, Small and Medium Enterprise (SME's) scheme, Corporate Social Responsibility (CSR) and so on to serve the people as well as economy. Considering the whole situation, the whole situation it might worthy to conduct a research on IBBL's socio-economic impact for strengthening the existing facilities extended by bank and to find out new horizon.

My readers should accept that …..

IBBL plays a vital role on socio-economic progress in Bangladesh by IBBL like creating employment, earning foreign remittance, strengthening rural economy, increasing industrialization rising the Small and Medium Enterprises (SME's) supporting in foreign trade (import-export), developing the housing sector, paying to the national exchequer and performing Corporate Social Responsibilities (CSR) as well as identifies IBBL's contribution to corporate social responsibility in Bangladesh and its significant contribution to the national exchequer. Currencies play a vital role as a medium of exchange of services as well as good and commodities. Nowadays, people are not willing to keep their money with them but to deposit it in the banks. The main objective of commercial banks is to maintain higher profitability by keeping circular and efficient flow of amount of money deposited by the clients and the investors. The interest based traditional banks but also making welfare to the society though there is a pivotal dispute against their claiming. Traditional banks are taking interests as a certain percentage of its investment only for considering a particular time period avoiding the borrower's situation. The interest-based banks really do not care about the borrower's capability or position whether or not the debtor is capable to repay the loan. On the other hand, Islamic banking is directed through the pioneer of Islamic banking in Bangladesh has attracted a great deal of attention to the people of Bangladesh as welfare banking. It is the introducer of Islamic in Bangladesh and it has been served as welfare banking since, its inception in 1985

Section-5: FUTURE FORWARD

This bank claims that, they are based on Islamic Shariah. How much people understand the Islamic law and interested to know about it?

„Interest free banking‟- is this the main reason or there is anything else to open an account here?

How it benefits the organization by providing good customer services?

Why they didn't open more ATM booths in different places as it has a huge number of customers?

Most of the people of our country have a bad impression about IBBL‟s operation regarding indirect generation of interest, which means no difference between conventional banking & IBBL, because people have no proper knowledge about activities of IBBL as well as its mechanism. Why they don't improving this matter through various seminar and Islamic discussion.

Why the bank didn't diversify their investment into different modes such as Bai- Salam, Bai- Muajjal, SME, instead of concentrating on Bai- Murabaha and HPSM investment mode ?

The authority of IBBL should introduce exert pressure on Government bodies to run properly and sufficient application of Islami banking laws in Bangladesh.

Why IBBL appoint a sufficient number of women employees to deal women entrepreneurs and professional to understand their need and thus create demand for investment?

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APPENDICES

Appendix I

Introducing Consulted Articles

SI	Article Title	Author(s)	Journal Name	Volume & Issue	Year	Publisher
1	Islamic Banking Scenario of Bangladesh	Salahuddin Yousuf1 Md. Ariful Islam2 Md. Rayhan Islam1	Journal of Islamic Banking and Finance	Vol. 2, No. 1;	March 2014	American Research Institute for Policy Developmen t
2	An Analysis of Islamic Banking Activities in Bangladesh: Issues and Challenges	Md. Alamgir	Thoughts on Economics	Vol. 25, No. 03 & 04	2016	ierb-bd.org
3	Islamic Banking in Bangladesh: Progress and Potentials	Mahadi Hasan	International Journal of Tax Economics and Management	2(11), 42-61	2019	seagullpubli cations.com
4	Financial Stability of Islamic Banks: An Empirical Evidence from Bangladesh	Razeul Islama, Shah Md. Sumonb , Raju Ahmedc, Md. Yousuf	Journal of Islamic Finance	Vol.8No. 1	2019)	IIUM Institute of Islamic Banking and Financ
5	PROSPECTS AND PROBLEMS OF ISLAMIC BANKING FROM BANKERS' PERSPECTIVE: A STUDY OF BANGLADESH	Dr. Muhammad Z Mamun,			Nove mber 2014	researchgate .net
6	Non-Muslim Customers' Attitude and Perceptions toward the Products and Services of Islamic Banks: An Exhaustive Study on Islamic Bank Bangladesh Limited.	Md. Bashir Uddin1 , Anisul Mannan Shammo2 , Meshkat Mahbub3 , Neser Ahmed	IOSR Journal of Business and Management (IOSR-JBM)	Volume 18, Issue 10.	Octob er. 2016	www.iosrjo urnals.org
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Appendix II

Complication of Objectives/Purposes/ Questions/ Hypotheses Addressed by the Articles

SI	Objectives/ Purposes/ Questions/Hypotheses
1	The key objectives of the study are: ▪ To review the distinctive concepts of Islamic banking ▪ To analyze the history of Islamic banking ▪ To evaluate the current practice and performances of the Islamic banks of Bangladesh
2	(1) to discuss conceptual aspects of Islamic banking and to review relevant literature; (2) to examine regulatory environment of Islamic banking in Bangladesh; (3) to discuss Islamic banking services and operation in Bangladesh; and (4) to identify challenges for improving Islamic banking operation in the country and suggest some recommendations.
3	Here there is a great presentation on rapid growth in Islamic banking. Besides the evolution and future of Islamic banking are being presented. The information about success and related many things are being presented in this article.
4	This paper examines the financial stability of eight (8) full-fledged Islamic banks in Bangladesh for the period of 2010-2017 by using the technique of Z-score,
5	The broad objective of the study is to find out the prospect and problems of Islamic banking in Bangladesh from bankers' perspective – both Islamic and Conventional.
6	Attitude, Islamic banking, Islamic bank services, Islamic bank quality, Non-Muslims
7	This study is conducted to investigate and explain the roles and contributions of IBBL in the economic development of Bangladesh**.**
8	The role of Islamic banking in economy is still heavily debated. The legal and regulatory framework in Islamic banking is more important rather than its function. But there is no independent body for regulating Islamic banking sector in Bangladesh. This paper argues that an independent body should be established for the regulation of Islamic banking in Bangladesh
9	This study attempts to examine the relationship between Islamic banking and green banking that contribute to sustainable development.

10	This study presents the role of islami bank Bangladesh limited (IBBL) to the contemporary socio-economic impact and economic development in Bangladesh.

Appendix III

Complication of Methods

Article	**Methods**
1	This is a secondary data based report. Information has been collected from various secondary sources like journal articles, annual reports of different banks, books and different websites. Statistical analysis tool SPSS and MS Excel had been used for analysis and graphical presentations**.**
2	Both primary and secondary data have been collected to fulfill the objectives of the study. Secondary data are collected from different books, journal, and publications related to Islamic banking practices in global economies and in the country. Both open-ended and close-ended questions have been incorporated in the questionnaire for the survey.
3	For bringing discipline in management and for crafting a coherent set of principles on Islamic bank, Bangladesh Bank has formulated Islamic banking guidelines and it has been revised once. In the context of Shari'ah based bank activities, operational differences, and introduction of new products and rapid changes in the practice of Shari'ah, steps need to be taken for updating and revising the old guidelines
4	The data for conducting the research purpose has been collected from the published Annual Reports of the eight (8) full fledge Islamic banks in Bangladesh. All the data related to the calculation method of the study were available in the annual reports of these respective banks. This study calculates the Z-Score per year, Non-performing Finance, Loan-to-Deposit Ratio, Liquidity Ratio
5	The study was conducted using both primary and secondary data and pertinent literature survey. The primary data was collected through interview and structured questionnaire survey of bank personnel of both categories of banks (Islamic and Conventional). Secondary data has been collected from various research books on Islamic banking and related publications. There are a total of 47 scheduled banks (listed with the central bank) in Bangladesh. Face-to-face interview was also conducted with a selected number of respondents from these banks.
6	An exploratory analysis style is adopted for the study which is supported by the literature review, numerous banking service factors that delight the purchasers within the industry are known and won‟t to develop the questionnaire. The primary data for the research is gathered by means of a self-administered questionnaire
7	This is a descriptive study which has used mostly the secondary data. Annual reports of the said bank and supporting published and unpublished materials have been studied to extract the information related to the contribution of the bank to economy of Bangladesh.
8	This is a descriptive study which has used mostly the secondary data. The secondary data collected from different souse and low of Bangladesh about the banking industry
9	The study is qualitative research and based on both primary and secondary data. Primary data have collected through questionnaire method. The target populations of this study are investors, executives, and managers of Islamic banks in Bangladesh**.**
10	The study explores available writings, objects, scholar, articles, websites and annual report of IBBL through the content scrutiny. Signification findings of this study manifest the different areas of economic progress in Bangladesh by IBBL like generating employment, earning foreign remittance, strengthening rural economy, promoting ecology and green banking

	enhancing industrialization, emerging the SMEs assisting in foreign trade(import-export), rising the housing sector, etc.

Appendix IV

Complication of Conclusions

Article	**Conclusions**
1	A major and influential part of the banking sector as well as the financial sector of Bangladesh is the Islamic banking. Most of the Islamic banks are performing well except the unexpected negative profitability of the ICB Islamic Bank of Bangladesh. This study identified the frequent change in the ownership is the main reason for the struggling situation of this bank. So, this negative contribution brings back the overall profitability of the Islamic banks of Bangladesh
2	The Islamic banking practitioners have been facing a lot of challenges in discharging their duty of providing Islamic banking services to their clients. In order to improve the effectiveness and efficiency of Islamic banking activities in Bangladesh, a few of these challenges are to be removed. The survey result shows that Islamic banking during its operation in conventional legal framework requires a different legal and supervisory framework suitable to the nature of Islamic banking business.
3	"...With its ethical, inclusivity promoting and stability-enhancing attributes, Islamic finance undoubtedly bears the promise of playing major beneficial role in our socio-economic development.
4	From the above analysis, it is found that although most of the Islamic banks have a lower trend of NPF, the overall performance of Islamic banks as indicated by the Z-score is showing lower trend itself. This finding holds for all of the Islamic banks, especially for IBBL that has the largest market share in the banking sector of Bangladesh
5	The study of the prospects and problems of the Islamic banking sector of Bangladesh shows that this sector is progressing steadily. The formation of Islamic banks and adoption of parallel Islamic banking by several conventional banks over the years can be an indicator of the high acceptability of this sector by the public.
6	Based on the findings, it can be concluded that Islamic services and products are well-received by nonMuslims population especially in Sylhet, Bangladesh. Results of the study indicate that the Islamic banking principle of avoidance of interest is not the major motivating factors for the non-Muslim customers in Bangladesh to use Islamic banking services
7	Islamic banks can satisfy most of the efficiency conditions if they can operate as a sole system in an economy. Conventional banking, on the other hand, does not satisfy any of the efficiency conditions analyzed in the present study. However, when Islamic banks start operation within the conventional banking framework, their efficiency goes on decreasing in a number of dimensions.
8	In Bangladesh the Islamic Banking industry will celebrate its golden jubilee in the year 2033 marking its 50th year. And the present shape of the industry is being modernized in terms of this changing scenario forecasting in the world economy in the year 2033. The government can help to explore the growth opportunities for Islamic finance, as well as tax and regulatory developments to boost the country's Islamic Capital markets

9	Green banking as part of Islamic banking can play a pro-active role in emerging economy for sustainable development. The trend of Islamic banking has been growing in Bangladesh, which is an aid to environmental protection as well as sustainable development. Social structure is significantly changing day to day due to unplanned city building, deforestation, digging hill tracts, natural disaster, and deregulation. These factors have been increasing pressures on the ecosystem of a country that significantly impedes the sustainable development. Banks should be strict for compliance with environmental protection norms by the borrowers so that environment can remain in sustainable state and civilization is free from environmental threats.
10	IBBL is advancing sharply and performing very well due to its well organized team work. IBBL is serving to the people of Bangladesh including its citizens working abroad taking various schemes of investment and sharing both for the profit and loss. The above study has shown a right direction of IBBLs part in the socio economic development of Bangladesh.