

KEY CHALLENGES AND CRITICAL SUCCESS FACTORS FOR THE ISLAMIC BANKING SECTOR OF BANGLADESH

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ABSTRACT

This research investigates the challenges faced by Islamic banks in Bangladesh in delivering quality service and identifies the critical success factors (CSFs) needed to overcome those obstacles. Semi-structured online interviews were conducted with a purposive sample of 15 experienced bankers from Islamic banks across Bangladesh. Most participants have over 18 years of experience in the field, and their insights offer valuable perspectives on macro and microeconomic challenges. The qualitative analysis of the interviews highlighted five significant challenges and 29 related CSFs. Key challenges include inadequate governance, limited access to capital markets and financial investment, liquidity issues, a lack of Islamic banking products and services, and employees' need for more knowledge about Islamic banking. Understanding these challenges and their CSFs can facilitate Islamic banks in effectively allocating resources, improving their operational performance, and achieving a sustainable competitive advantage. This, in turn, can pave the way for a brighter, more prosperous future for Islamic banking in Bangladesh. By implementing these strategic interventions, Islamic banks can strengthen their role in the wider economic landscape, promoting a more prosperous future for the industry.

Keywords: Islamic banks, Challenges, Critical success factors, Quality service, Bangladesh

1. INTRODUCTION

Islamic banking in Bangladesh has emerged as an essential component of the financial landscape, providing services in line with Shari'ah laws. Initiated with the founding of Islami Bank Bangladesh Limited in 1983, the sector has flourished, offering interest-free financial solutions based on profit-sharing models (Abduh & Omar, 2012). These banks promote social justice and economic inclusion, aligning their operations with the ethical values cherished by the majority Muslim population. Bangladesh joined the Organisation of Islamic Cooperation (OIC) in February 1974 and signed the Islamic Development Bank's charter in September 1974 (Ahamed, 2019). By April 1978, OIC foreign ministers recommended converting banking to Islamic systems. In November 1980, Bangladesh Bank's Director of Research, A.S.M. Fakhrul Ahsan, suggested initiating Islamic banking in the country (Bangladesh Bank, 2022). In April 1981, the Ministry of Finance proposed opening Islamic banking counters in state-owned banks. A delegation from the Islamic Development Bank visited Bangladesh in November 1982 to assess the feasibility of forming an Islamic bank, recommending IDB as an investor (Mohammad et al., 2018). Consequently, Islami Bank Bangladesh Limited, the first Shari'ah-compliant bank, was established on March 30, 1983. Islamic banking in Bangladesh is based on social justice, equity, and a profit-loss-sharing model (Bangladesh Bank, 2022). Key Islamic banks include Islami Bank Bangladesh Ltd., Shahjalal Islami Bank Ltd., First Security Islami Bank Ltd., Social Islami Bank Ltd., and Al-Arafah Islami Bank Ltd (Takukder, 2024). List of Islamic banks and the year of establishment is added to Appendix I.

Demand has risen steadily in recent decades because Islamic financing is interest-free and shares profits and losses with debtors. Currently, Muslim nations such as Bangladesh, Pakistan, Malaysia, Indonesia, and the United Arab Emirates have Islamic banking. On the other hand, Islamic banking has operated not only in Muslim nations but also in the US, the UK, and other nations since the 1980s. More than 300 banks and 250 mutual funds operate globally according to Islamic principles. (Bangladesh Bank, 2022). The Islamic Finance Development (2020) Reports that between 2000 and 2020, the capital of Islamic banks climbed from \$200 billion to over \$2 trillion; by 2024, it is estimated to reach \$2.8 trillion.

The fundamental reason for this expansion is that the growing economies of the nations have most Muslims, particularly those that have profited from the rising oil price. The foundation of Islamic banking is the business concepts found in the Islamic faith. The central religious text of Islam, the Qur'an, is the source of Islamic banking doctrines. Most transactions in Islamic banking are subject to the Islamic legal system, or shari'ah. The implication is that Islamic banking is more than a religious alternative. It represents a vital, ethical, and inclusive financial system. For Bangladesh, strategic support and regulation of this sector can deepen financial inclusion, boost economic resilience, and align financial practices with religious values and global standards. This approach can also strengthen Bangladesh's position in the growing global Islamic finance industry. This research aims to identify the challenges faced by the Islamic banks in Bangladesh and the critical success factors for each challenge faced by Islamic banks in Bangladesh.

2.0 LITERATURE REVIEW

2.1 Islamic Banks in Bangladesh

Islamic banking in Bangladesh has been an integral part of the country's financial landscape, driven by the demand for Shari'ah-compliant financial products and services. Islamic banking operates by the principles of Islamic law (Shari'ah) (Jubilee et al., 2021). Unlike conventional banks, Islamic banks do not charge interest (Riba) and engage in profit-sharing schemes and ethical investments that do not involve financial activities prohibited under Islamic laws, such as those related to alcohol or gambling. According to the Islamic Finance Development (2020). The Bangladesh Bank, the country's central

bank, oversees the functioning of Islamic and conventional banks. It has issued guidelines tailored to Islamic banking operations to ensure compliance with Islamic principles (Dona et al., 2023).

2.2 Present Status and Significance of Islamic Banks in Bangladesh

The Islamic banking sector in Bangladesh has shown significant growth, marked by both full-fledged Islamic banks and Islamic windows within conventional banks. (Bangladesh Bank, 2022). These institutions hold a substantial share of the country's total banking assets, underscoring strong customer demand. They provide various Shari'ah-compliant products, such as Mudarabah savings accounts, Murabaha financing, and Ijarah leasing, which cater to specific sectors like agriculture and SMES (Tlemsani, 2020). Despite challenges, such as ensuring Shari'ah compliance, competition with conventional banks, and a shortage of trained professionals, Islamic banks in Bangladesh are expanding their services, particularly through digital banking, to meet the needs of a younger, tech-savvy clientele (Rahman et al., 2013).

Islamic banking also plays a pivotal role in promoting financial inclusion, offering an ethical banking alternative that aligns with the religious beliefs of the predominantly Muslim population. By focusing on asset-backed financing and profit-sharing, these banks support economic stability and prudent financial management (Ahmed, 2023). They also play a crucial role in reducing speculative bubbles, which in turn enhances system resilience and makes the audience feel secure and confident in the financial system. Furthermore, Bangladesh's Islamic banking connects the country to the global Islamic finance market, attracting foreign investment and fostering cross-border relations. Through these contributions, Islamic banking in Bangladesh is a key driver of sustainable economic development, entrepreneurship, and customer loyalty.

2.3 Challenges faced by the Islamic Banks

Islamic banks are facing several challenges. They need help to develop an interest-free mechanism for short-term fund placement, making it challenging to finance consumer loans and government deficits. The risk associated with profit-sharing often leads many banks to adopt financing methods with guaranteed returns, drawing criticism for essentially renaming interest. (Bangladesh Bank, 2020). A major challenge is the absence of legal support from central banks in most countries, except Pakistan and Iran, which significantly exposes them to risks (Suzuki & Sohrab, 2021). Moreover, they often need more expertise and trained personnel for effectively assessing, monitoring, evaluating, and auditing funded projects. Therefore, while possessing adequate cash flow, they are unable to expand. Fifth, Islamic banks operating in conventional banking frameworks in many countries lack access to capital markets and mechanisms to deploy their excess liquidity. These banks' growth is aided by the availability of Islamic capital markets and tools; otherwise, they would be restrained (Mawla, 2018). The expansion of the Islamic capital market and financial instruments also contributes to the creation of a favourable environment for the government.

For Islamic banks to thrive, they need to find a viable alternative to interest for financing loans, acknowledging that their current success in eliminating interest is partial. Enhancing managerial competencies through employee training in project appraisal, monitoring, and audits is essential (Suzuki & Sohrab, 2021). Additionally, the future of Islamic banks relies on developing and implementing accounting standards that provide reliable information for profit-sharing and cost-plus financing (Bangladesh Bank., 2020). These standards are still evolving, and Islamic banks must work to gain client acceptance of these requirements to establish a solid database.

2.4 Critical Success Factors for Quality Practices in the Islamic Banking Industry

Successful quality practices in Islamic banking depend on strict adherence to Shari’ah principles, supported by a dedicated team of scholars for guidance and audits. Strong customer relationship management is vital for building trust through personalised services compliant with Islamic law (Shankar et al,2021). Innovation in product offerings is crucial, as Islamic banks must continually develop new, Shari’ah-compliant financial products that address the evolving needs of their clientele (Garg & Rahman, 2012). Effective risk management, adherence to Islamic principles, and technological advancements are crucial for enhancing banking stability, accessibility, and service delivery. A skilled workforce in Islamic finance and modern banking is essential for operational excellence (Julia & Kassim, 2020). Moreover, robust corporate governance structures are needed to ensure transparency, ethical practices, and accountability, thus safeguarding stakeholder interests. Finally, increasing market awareness and customer education about the benefits and principles of Islamic banking can drive market expansion and acceptance, solidifying the industry's position in the broader financial landscape. Islamic banks can enhance their quality practices by focusing on these critical areas, ensuring strong competitive performance and sustainable growth.

3. METHODOLOGY

This research employed qualitative methods to examine the specific challenges and critical success factors (CSFs) in the Bangladeshi Islamic banking sector. The study involved semi-structured interviews conducted online with 15 bankers selected for their extensive experience and knowledge in quality management within Islamic banks in Bangladesh. Participants, including both male and female professionals, predominantly had over 18 years of experience and had at least a master’s degree. Detailed profiles of these respondents are provided in Table 1.

Table 1: Profiles of the respondents in the qualitative stage from Islamic banks

Type of Respondents	Code	Job Designation	Gender	Education	Working Experience
Deputy Managing Director	R1	Shari’ah committee	Male	ACBA Business	More the 25 Years
Chief Financial Officer	R2	Head of Division	Male	Ph.D.	23 Years
Senior Vice President	R3	Shari’ah Division	Male	Masters	23 Years
Vice President	R4	Secretary-Shari’ah Board	Male	Masters	More than 25 years
	R5	Management Committee	Male	Masters	More than 25 years
	R6	Head of Shari’ah Division	Male	Masters	18 years
Assistant Vice President	R7	Management Operations	Male	Masters	26 years
	R8	Management Operations	Male	Masters	22years
Manager	R9	Islamic Shari’ah Division	Male	Masters	20 years
	R10	DBH Finance PLC	Male	Masters	More than 10 years
	R11	Shari’ah Division	Female	Masters	15 years

Senior Principal Officer	R12	Shari’ah Secretariat (Muraqib)	Male	Ph.D.	15years
	R13	P&L Management	Male	Masters	10years
	R14	Islamic Division	Male	Masters	12 years
Executive Officer	R15	Shari’ah Division	Female	Masters	7 years

The purpose of data collection was to identify the challenges Islamic banks face and their corresponding CSFs. The interviews, which averaged 40 minutes each and were audio-recorded, revolved around two core questions: the challenges Islamic banks confront and the CSFs necessary to address each challenge. The analysis adhered to Creswell and Poth's (2018) guidelines, involving steps such as organizing and reading transcripts multiple times, grouping similar responses, coding, indexing, and interpreting the data. The final report organizes the identified themes and provides an in-depth discussion of the challenges and CSFs, integrating a variety of perspectives from the participants.

4. RESULTS

The study identified 25 potential challenges, narrowing them down to five finalized challenges, whose definitions are listed in Table 2. The aim is to highlight these challenges and their associated critical success factors, providing a robust foundation for further research and analysis.

Table 2: Definitions of the five challenges

Challenges	Definitions
1. Lack of Good Governance	Good corporate governance practices are essential in all banking sectors, particularly within the Islamic banking framework. Governance issues are integral to every aspect of Islamic banking operations.
2. Lack of a capital market and financial investment	The Islamic Capital Market, aligned with Shari’ah principles, marks a key evolution in Islamic finance. Recent capital inflows into emerging markets have boosted financial stability and economic growth, aiding poverty reduction.
3. Liquidity crisis	A liquidity crisis in Islamic banks in Bangladesh occurs when these institutions face an inability to meet short-term financial obligations due to insufficient liquid assets.
4. Lack of Islamic products and services	Islamic banking in Bangladesh is facing a critical challenge lacks diverse products and services, leading to reduced liquidity and limited diversification opportunities. To overcome this, Islamic banks must expand into the securities, risk management, and insurance sectors.
5. Employees’ insufficient knowledge of Islamic banking	Employees’ insufficient knowledge of Islamic banking refers to the lack of understanding and expertise among staff regarding Shari’ah-compliant financial principles and products. This deficiency can hinder effective customer service and limit the bank's ability to offer a diverse range of Islamic financial products. Ultimately, it impacts the overall performance and credibility of Islamic banks in the market.

4.1 The Challenges of ‘Lack of Good Governance’

Despite facing challenges in governance, investment, liquidity, and understanding, Bangladesh's Islamic banking sector shows progress supported by the Central Bank and public interest. However, to ensure transparency and sustainability, it needs comprehensive legislation and robust governance, including Shari’ah Governance. This underscores the need for robust governance controls and government intervention.

“To overcome a lack of good governance, all the Islamic banks need to implement Shari’ah governance policy and improve transparency” (R3).

“Currently, the Islamic banking sector needs better governance, which is challenging to address. Many countries have developed corporate governance rules for Islamic banks with support from governments, stock exchanges, and international organizations, highlighting the need for effective governance frameworks” (R11).

“Not only Bangladesh, but other countries are experiencing a lack of strong Shari'ah governance. It is impossible to overcome easily; we require good government support” (R6).

Respondents recommend government support, governance awareness, adherence to policies, legal system strengthening, and workforce development to enhance governance in Islamic banks while identifying and addressing six critical success factors as key to overcoming existing governance challenges in Table 3.

Table 3: Critical success factors of a lack of good governance.

Challenges	Critical Success Factors
1. Lack of good governance	Implement Shari’ah governance policy. Adhere corporate governance policy. Implement a regulatory framework. Ensure government support Improve governance and transparency. Implement the ethical essence of Islamic banking.

4.1.1 Implement Shari’ah Governance Policy

Shari’ah Governance is essential for Islamic banks in Bangladesh, which lack specific laws, to align with Shari’ah standards under existing regulations like the Bangladesh Bank Order 1972 and the Bank Companies Act 1991. The Bangladesh Bank, as the Central Bank, holds the legal authority to regulate all banks, including Islamic ones, a point underscored by interviewees R6 and R4.

“In 2009, Bangladesh Bank supplemented existing regulations with guidelines for Islamic banking, developing measures for liquidity management and lower statutory liquidity ratios. However, it still lacks Shari’ah-compliant advisory councils” (R6).

“Bangladesh integrates traditional corporate governance with Shari'ah principles for Islamic banks but needs stronger enforcement to assure Shari'ah compliance and protect stakeholders” (R4).

4.1.2 Implement Regulatory Framework

Strengthening Bangladesh's Islamic banking sector requires robust regulation, comprehensive legislation, and effective governance, acknowledging its critical role in economic growth, financial inclusion, and

expanding industry presence. Following are the comments recorded from interviewee R9, R11, and R15 respectively,

“The legal structure is critical to ensuring the reliability and development of the Islamic banking sector. Regulatory authorities should collaborate closely with industry experts to create regulations that are consistent with international best practices while also meeting the special needs of Bangladesh's Islamic banking industry” (R9).

“The absence of an Islamic Banking Act and national Shari’ah board hampers standardization and enforcement of Shari’ah compliance in Bangladesh, leading to insufficient prioritization by management and concern in the Islamic finance industry” (R11).

“The broader banking sector in Bangladesh has also been plagued by challenges such as weak balance sheets, governance, and regulatory compliance. The central bank has taken moves to improve governance at public-sector banks, such as appointing observers to their boards” (15).

4.1.3 Ensure government support

Despite its Muslim-majority status, the Bangladeshi government has shown limited support for an Islamic economic system and banking, favouring deregulation over implementing an Islamic Banking Act. According to experts:

“We need more government support to overcome the challenges, it advises that the Bangladeshi government create distinct and comprehensive legislation to regulate and improve Islamic banking” (R6).

“In response to rising demand, Bangladesh introduced Islamic monetary policy tools like the Bangladesh Government Islamic Treasury Bill (BGITB) to manage Islamic banking liquidity, with Bangladesh Bank acting as the government's agent” (R9).

Enhancing the Shari'ah Governance System in Bangladesh's Islamic banks is crucial to minimize fraud, requiring the Central Bank to offer comprehensive recommendations and establish a dedicated regulatory unit.

4.1.4. Improve Governance and Transparency

The financial system, including Islamic institutions, must prioritize governance and transparency to maintain investor and depositor confidence. Adhering to rigorous governance standards and providing regular financial reporting can enhance transparency, influencing profit sharing among account holders. This CSF is highlighted from the following comments by R4 and R1:

“According to banking, performance is expected to be strongly correlated with profit sharing. In the case of Islamic bank performance, there is no room for profit manipulation” (R4).

“Transparency is critical for Islamic banks since they use a profit-sharing framework. So, fund owners who invest funds in Islamic banks utilize these contracts have a very high interest in the transparency of corporate risk” (R1).

4.1.5. Implement the ethical essence of Islamic Banking

Islamic banks have shown similar efficiency to conventional banks before the global recession, but during the crisis, they suffered profitability declines due to weaker risk management, with advanced countries outperforming due to better frameworks and techniques. Interviewee R11 said the following statements as regards to Islamic banking.

“Islamic banking is distinguished by its ability to provide specialized and socially good financial solutions. This banking system actively encourages initiatives that benefit society while discouraging those that have negative social consequences, hence promoting banking sector sustainability” (R11).

Islamic banking's asset-based financing promotes the green economy and welfare while addressing income inequality, necessitating monitoring and PLS investment methods to enhance equity and align bank income with that of depositors and entrepreneurs.

4.2 The Challenge of Lack of Capital Market and Financial Investment of Islamic Banks

Educating the public and influencing favourable policies are crucial for the expansion of Islamic banks in Bangladesh. Two interviewees, namely R11 and R10, made suggestions as follows:

“Islamic banks should prioritize investments in socially beneficial sectors like agriculture and small enterprises, as funding through Mudarabah and Musharakah is low. Establishing clear guidelines and policies is essential to encourage more significant investment in these areas” (R11).

“Islamic banks can reach untapped consumer segments by participating in microfinance projects, assisting women entrepreneurs, and meeting the financial needs of government organizations that are not currently served by traditional banks. These approaches would give Islamic banks a considerable competitive advantage for growth” (R10).

Bangladesh, with its vast population, has the potential to be the world's greatest Islamic banking powerhouse. To overcome the lack of capital, experts of banks three interviewees, R7, R5, and R14, suggested that:

“To open more opportunities in Islamic banking and promote financial inclusion” (R7).

“We need to focus on *Sukuk* and other Shari’ah-compliant investments and introduce diverse deposit portfolios everywhere” (R5).

“If we need to overcome the current crisis, we need to improve Islamic banking practices and promote financial inclusion. For promoting financial inclusion, we need to increase *Sukuk* investment” (R14).

At the end of the interviews, we found seven success factors to address the lack of capital market and financial investment, as shown in Table 4.

Table 4: Critical success factors of the lack of capital market and financial investment

Challenges	Critical Success Factors
	Introduce Islamic derivatives that comply with Shari’ah Open more opportunities for Islamic financing. Promote financial inclusion

2. Lack of a capital market and financial investment	Enhance proactive risk management practices. Introduce a diverse deposit portfolio. Increase Sukuk and other Shari'ah-compliant investments. Ensure uniformity in Islamic banking practices.
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4.2.1. Introduce Islamic derivatives that comply with Shari'ah

The recent financial crisis underscored the complexities of derivatives, prompting global risk realignment and government intervention, but they remain valuable for efficient risk management, diversification, and reducing funding costs. This function of derivatives reassures economic agents and helps them hedge transaction-related risks. From the interviewees' point of view:

“Islamic nations face legislative hurdles regarding risk transfer mechanisms, impacting the use of derivatives due to perceived market inefficiencies and financing limits. While implicit derivatives like forward contracts are acceptable in Islamic finance, the explicit use of derivatives remains controversial” (R5).

“Islamic banks struggle to differentiate dubious incomes, risking moral decline in the long term. The inconsistency in Shari'ah interpretations and understanding of derivative structures exacerbates the issue, highlighting the need to identify Shari'ah-compliant income” (R4).

Policymakers' limited understanding of derivatives impedes recognition of their importance in stability and risk diversification, prompting efforts to standardize regulations.

4.2.2. Open more opportunities for Islamic Financing

Besides Islamic banks in Bangladesh, many conventional banks are also exploring Islamic windows, pending the Central Bank's approval. Meanwhile, interviewees were optimistic about the future of Islamic banks.

“During the 40-year voyage of Islamic Banking in Bangladesh, it has gained a galloping market share. So that if we open more opportunities on Islamic financing, it will increase more” (R3).

“Islamic finance has emerged as a powerful vehicle for fostering economic growth globally, and in Bangladesh, Islamic banks have made substantial contributions to the nation's economy; thus, expanding Islamic investment opportunities in response to our customers' increasing demand is essential” (R5).

4.2.3. Promote financial inclusion

Financial inclusion is a global priority recognized for its role in promoting growth, employment, and poverty reduction, benefiting all segments of society. Islamic finance offers significant opportunities to enhance financial inclusion and stimulate inclusive growth, especially in Muslim countries.

“The Islamic banking sector can play an important role in achieving financial inclusion. Collaboration with the government and regulatory agencies can help to expand Islamic banking services to underprivileged and distant locations” (R3).

“If we are concerned more with Islamic financial inclusion, two things we need to promote: first, Bangladesh must heavily support micro and second, small businesses to employ millions of young people” (R7).

4.2.4. Enhance proactive risk management practices

The importance of effective risk management cannot be overstated, as it is the key to identifying, quantifying, and mitigating these risks. According to the banker's point of view:

“Islamic banks assess market risk using a standardized approach and the Bangladesh Bank's risk-based capital adequacy guidelines. Apart from these, some Islamic banks use techniques like maturity gap analysis and simulation methodologies to assess market risk” (R9).

“In Bangladesh, the absence of a specific Islamic Banking Act leads to non-standardized contracts for Islamic financial services, complicating transaction negotiations and underscoring the need for distinct risk management criteria for Islamic banks and regulations by the Bangladesh Central Bank” (7).

4.2.5. Introduce a diverse deposit portfolio

In line with the global trends, Bangladesh's Islamic banking sector has expanded rapidly thanks to governmental backing from the Bangladesh Bank and significant public demand.

“Bangladesh Bank recently issued sovereign investment *sukuk* on behalf of the government, which will smooth liquidity management of Islamic banks, help finance the budget deficit and promote Islamic capital markets to raise funds for infrastructure and industrial projects to achieve higher inclusive GDP growth and sustainable development goals” (R5).

“Islamic banks in Bangladesh accept deposits through *mudarabah* (profit-and-loss sharing) and *wadiah* (safekeeping) contracts, with *Mudarabah*-based deposits making up over 85% of total deposits by mid-2023” (R4).

Other Islamic financial sector systems, such as the Islamic capital market, Islamic insurance (*Takaful*), and the microfinance sector, have the potential to thrive systematically if supportive policies are introduced.

4.2.6. Increase Sukuk and other Shari'ah-compliant investments

According to an interviewee, Bangladesh Bank, on behalf of the government, issued its first sovereign investment *Sukuk* on December 28, 2020, to generate BDT 80.00 billion for the implementation of the country's safe water supply project.

“*Sukuks* are typically asset-based financial securities. According to the AAOIFI, *sukuk* are certificates of equal value that indicate undivided ownership of tangible assets, property rights, and services. The International Islamic Financial Market describes *sukuk* as commercial paper that provides an investor with ownership in an underlying asset” (R7).

Issuing asset-backed *Sukuk* using contracts like *ijarah*, *mudarabah*, or *musharakah* can help address excess liquidity in Islamic banks and foster economic development, necessitating supportive policies to enhance *Sukuk* investment.

4.2.7. *Ensure uniformity in Islamic banking practices*

Since its commercialization in the 1970s, Islamic finance has grown globally but faces criticism for inconsistent application of Shari'ah principles, despite Shari'ah Supervisory Boards' oversight. Most studies have focused on the characteristics of Islamic financial instruments, rather than governance or standardization challenges.

“Ensuring uniformity in Islamic banking practices is also necessary. Given the market's huge demand, it is past time to adopt a separate Islamic banking law.” (R3).

“Most Islamic banks have their own Shari’ah boards that decide on their policies. According to academics Frank Vogel and Frank Hayes, the four schools (Madhhab) of Sunni fiqh (Islamic law) have not reached an agreement on Islamic banking. They apply Islamic teachings to business and finance in a variety of ways” (R5).

4.3. The Challenge Liquidity Crisis

The liquidity issue in Islamic banks has emerged due to structural concerns. One interviewee mentioned that:

“After the global crisis and COVID-19 19 Islamic banks are facing liquidity crises. According to the Bangladesh Central Bank's report ‘Despite strong Bangladesh Central Bank support, five Shari’ah-based institutions are still experiencing liquidity crises, which has affected the Islamic banking system's total excess cash position” (R3).

By the end of September 2023, several Islamic banks in Bangladesh reported significant liquidity shortfalls, attributed to weak structures, regulations, and monitoring. Experts recommended measures to address these crises, but the specific measures suggested were not mentioned in the summary request.

“To overcome the liquidity crisis, we need to increase long-term financing and control the cost of funds” (R1).

“Due to the increasing number of non-performing loans, we are facing a liquidity crunch. So, we need to ensure long-term financing as well as reduce spiralling non-performing loans” (R9).

“Increasing exports can overcome the liquidity crisis. On the other hand, non-performing investments always hurt a bank’s income and total assets” (R7).

Islamic banks in Bangladesh, formerly flush with excess funds, now face challenges due to significant credit irregularities and a stagnant average deposit rate below 5%. This low deposit rate, amidst near-double-digit inflation, has made bank savings unappealing for many, directly impacting the stakeholders' interest. The Bangladesh Central Bank's current focus is on controlling inflation, with bank governance improvements to follow once external pressures ease. To address the liquidity crisis, seven critical success factors are identified in Table 5:

Table 5: Critical success factors of Liquidity crisis.

Challenges	Critical Success Factors
	Improve liquidity management Ensure long-term financing Control the cost of funds. Improve flow of bank credit to the economy.

3. Liquidity crisis

Reduce spiralling non-performing loans.
Strengthen reserve management capabilities.

4.3.1. Improve liquidity management

Banks manage liquidity through three approaches: asset management by maintaining and selling liquid assets, liability management by borrowing to cover shortages, and balanced management by combining both methods. The choice of approach depends on each method's advantages and disadvantages. The following are excerpts of two interviewees who were Senior Vice Presidents of banks:

“Islamic banks face liquidity management challenges due to Shari’ah law prohibiting investing in interest-bearing assets and borrowing with interest. Consequently, they might retain higher cash reserves, missing out on profitable investment opportunities to maintain liquidity” (R6).

“Efficient liquidity management involves meeting medium-term goals and managing assets and liabilities responsibly, using three main approaches: conservative (prioritizing safety with more current asset investments), aggressive (seeking profitability with fewer current assets), and moderate” (R13).

Islamic banks are advised to use monthly cash flow predictions, maintain minimum liquidity levels, and develop novel Islamic liquidity instruments while enhancing risk management, a key factor that instils confidence and reassurance, and safe asset holdings.

4.3.2. Ensure long-term financing

To overcome the liquidity crisis, Islamic banks need to adopt more long-term financing measures. Even though the major setback is that Islamic banks cannot invest directly, but could instead offer *Bai-Muajjal* and *Bai-Murabaha*. These have been voiced out by the interviews:

“The launch of Sukuk offers Islamic banks a non-interest-bearing investment option, aiding liquidity management and potentially supporting government deficit financing while promoting the Islamic capital market” (R12).

“A strong SME sector contributes significantly to the country's economic growth. Islamic banks assist their SME customers with long-term funding for infrastructure development and industrial projects” (R14).

The Bangladesh Central Bank's report in June 2024 highlighted Islamic banks' strong liquidity management, including the introduction of innovative products and successful Sukuk launches to utilize excess liquidity, support deficit financing, and boost the Islamic capital market.

4.3.3. Control Cost of Funds (COF)

Cost of Funds is fundamentally the same as interbank borrowing rate or the cost of capital. COF is market-driven, based on interbank lending rates whereas Statutory Reserve Requirement (SRR) is a statutory requirement based on a set percentage. Two senior bank officers stated that:

“To overcome the liquidity crisis, we need to control the other costs of the banks, like operational costs, administrative costs, credit risk premiums, liquidity risk premiums and any profit margin” (R2).

“During COVID-19, both conventional and Islamic banks are trying to control their cost of funds by reducing operational costs. Some banks closed their branches; even some bankers lost their jobs” (R5).

Minimizing operational costs can help Islamic banks with liquidity issues. However, unlike interest-based banks that predict profits through hedging, Islamic banks face uncertainty due to their profit-and-loss sharing approach, which can result in unclear profit amounts for depositors if expectations are not met.

4.3.4. Improve flow of bank credit to the economy

Global financial markets are intricately linked to one another. Stresses in one market can rapidly spread to others, increasing the likelihood that the entire financial system will suffer considerably. According to a bank expert (R1):

“Bank credit flow is crucial for resolving liquidity crises, while the dollar's role as the world's main reserve currency significantly influences global trade and investment, with banks borrowing dollars internationally to support activities and investments, including those in the U.S.” (R1).

4.3.5. Reduce spiralling Non-Performing Loans (NPLs)

Bangladesh's economic development relies on commercial banks to facilitate savings and investments. Effective management of Non-Performing Loans (NPLS) through proactive measures can enhance debt collection and reduce client risk. Three interviewees believed that:

“By focusing on proactive identification, prompt response, and robust data management, lenders may efficiently manage NPLS, enhancing the possibility of successful debt recovery while protecting their customers' financial well-being” (R8).

“Misgovernance, corruption, nepotism and bad loans continue to plague Bangladesh's banking scene” (R6).

According to Central Bank data, non-performing loans (NPL) totalled Tk 134,396 crores as of September this year, accounting for 9.36% of total loans granted. At the same time, about 29% of the loans disbursed by the six state-owned banks had gone into default. The Central Bank promised the international lender that this was already the case and that major improvements would be seen by June 2024” (R5).

It is timely for the Central Bank and related authorities to step up their efforts and update existing policies to reduce bad loans and lower the defaulted loan ratio.

4.3.6. Strengthen Reserve Management Capabilities

As part of the \$4.7 billion loan programme, the Bangladesh Central Bank is collecting dollars from banks to meet the International Monetary Fund (IMF) end-of-year foreign reserve criteria.

“The Bangladesh Central Bank had increased its reserves by purchasing \$200 million from Islami Bank and more than \$100 million from other banks” (R1).

“Dollars cannot now be obtained from overseas sources to meet the reserve target. As a result, it is impossible to raise reserves in a short period without acquiring dollars from banks” (R1).

Numerous Islamic banks in Bangladesh face a Cash Reserve Ratio shortage, which can be mitigated by selling dollars to the Central Bank at Tk110 while offering up to a 2.5% incentive for remittance dollars collected.

4.3.7. Increase Export and Remittance through banks

Bangladesh's Shari'ah-compliant banks face declining foreign trade and liquidity strain as loans surpass deposits, risking short-term obligation fulfilment, which the Central Bank's figures confirm through a growing liquidity gap. These were the statements made by the interviewees during the interview session.

According to Bangladesh Central Bank data, exports supported by the 10 full-fledged Islamic banks fell over 39% in the July-September quarter, compared to a 9.26% reduction in the previous quarter. Meanwhile, according to Export Promotion Bureau data, the nation's overall exports showed a different trend, increasing by about 7% in the same quarter” (R3).

“On top of that, total imports decreased by 25% between July and September, while imports through Islamic banks fell by 47%. According to Central Bank data, Islamic banks increased their deposit outstanding by around Tk33 crores during the fiscal year ending September 30. The year-on-year deposit growth rate is 0.85%” (R7).

To encourage more remittance inflows, banks can offer an additional incentive, capped at 2.5%, using their funds to reward customers for converting remittances.

4.4 The Challenge of Lack of Sufficient Islamic Products and Services

The government should vigorously promote Islamic banking in Bangladesh, given its pro-development role. Bangladesh Central Bank should develop some Islamic monetary and saving instruments and create a separate window for transactions with Islamic banks, as well as a full-fledged Islamic banking department for analyzing, supervising, monitoring and guiding purposes, thereby facilitating Islamic banks' smooth development in Bangladesh.

“There are many ways to overcome lack of Islamic products and services, bankers know how to innovate new products and services” (R9).

“To overcome lack of Islamic products and services banks must introduce lifelong learning on Islamic banking system” (R10).

By adopting a new online monetary system and innovating new products, the challenge depends on the five-success factors as shown in Table 6:

Table 6: Critical success factors of lack of Islamic products and services

Challenge	Critical Success Factors
4. Lack of Islamic products and services	Continuously innovate new products and services Lifelong learning on Islamic banking system Provide training programs to increase innovative product knowledge Introduce mobile banking services to all customers Adopt new online monetary system

4.4.1. Continuously innovate New Products and Services

Innovation is critical in an organization's growth plan. Continuous innovation is a product and service development strategy that emphasizes continuous improvement and experimentation. These have been articulated by three interviewees as follows:

“Innovation is a mode of working that pushes teams to constantly generate, test, and develop new ideas to stay ahead of the competition and provide value to customers” (R3).

“Continuous innovation is the practice of constantly upgrading and refining products, services, and processes in order to stay competitive and fulfil consumers' evolving needs.” (R5).

“In general, continuous innovation is a critical component of the product development process that can assist businesses in creating outstanding products by staying ahead of the competition, boosting consumer satisfaction, improving quality, lowering costs, and increasing flexibility” (R8).

Companies can keep their competitive advantage by constantly improving their products. This can help them acquire new clients and grow their market share. This leads to increased sales velocity and better cash flow.

4.4.2 Lifelong Learning on Islamic Banking System

A lifelong learning mindset involves a proactive approach to acquiring new skills, benefiting banking professionals by keeping them updated on industry trends, enhancing career prospects, and promoting personal growth. This mindset supports professional performance, adaptability, and personal well-being through continuous learning and development. Two interviewees agreed on advocating for Lifelong Learning.

“Creating a lifelong learning mentality involves dedication, inspiration, and action. To create and nurture your lifelong learning attitude, you must first identify your learning needs and interests. Assess your present skills, knowledge, and competencies, then investigate topics or themes that interest you” (R10).

“Having a lifelong learning mentality necessitates perseverance, reflection, and celebration. To keep this mindset alive and active, review and update your learning objectives as you advance along your journey” (R11).

4.4.3 Provide Training Programs to increase and to innovate Product Knowledge

In today's dynamic market, having a well-trained and competent sales crew is critical to success. A thorough understanding of the products or services on offer is a critical component of efficient sales. This is where the invaluable Product Knowledge Training Program comes into play. Interviewees have consistently stressed the importance of this comprehensive Training Program for employees of Islamic banks.

“When sales personnel have extensive product expertise, they are better able to advise consumers through the purchasing process” (R6).

“Maintaining participant motivation throughout the training program is critical to its effectiveness. Use gamification components like quizzes, leader boards, and awards to make the learning process more entertaining and competitive” (R11).

“Product knowledge can drastically improve communication within the company. With every department aware of the ins and outs of the products, potential miscommunications can be significantly reduced, ensuring a more streamlined operation” (R12).

4.4.4. Introduce mobile banking services to all customers

Mobile banking enables clients to conduct various banking transactions via mobile phones, offering services like balance checks, transaction histories, payments, ATM location, and financial updates through USSD or app-based platforms, providing convenient access anytime, anywhere. According to the interviewees' points of view,

“Mobile banking is very important to all customers because mobile banking enables clients to access financial services from anywhere. Businesses and business owners can now save time by using mobile applications to make payments or receive money immediately to their phone numbers (R4)”.

“Mobile banking is beneficial; we must implement a secure mobile banking app and instruct all our customers on utilizing it. Then any level of consumers can use it (R8)”.

4.4.5. Adopt a new online monitoring system

Over the past fifteen years, digitization in Bangladesh's financial sector, fuelled by Mobile Financial Services (MFS) and fintech, has expanded banking access even to rural areas. This convenience particularly appeals to younger users more inclined to use mobile devices for financial transactions. Interviewee R7 noted that:

“We must invest in a strong cybersecurity infrastructure, create and enforce cybersecurity rules, and increase knowledge of safe online practices. Furthermore, developing systems for individuals to govern their data will help to address this issue”.

Also, interviewees (R8, and 11) mentioned that.

“We employ firewalls, intrusion detection and prevention systems, and encryption, alongside regular security audits and vulnerability assessments, to monitor, secure, and protect network traffic and sensitive data”.

4.5 The Challenge of Employees insufficient knowledge of Islamic Banking

Employees of Islamic banks must fully understand and positively present their products' benefits, as Islamic education is crucial for effectively persuading customers and contributing to the growth of Islamic financial institutions. One relevant comment is the following:

“Employees of Islamic banks will be able to persuade customers by fully understanding the products and their benefits. Employees should acknowledge, completely understand, and practice the principles of Islamic banking and finance that are strictly adhered to in the Qur'an and Sunnah” (R15).

Employee awareness and attitudes regarding Islamic banking goods and services are crucial. The information on how adequate staff is equipped with Islamic knowledge will be valuable in evaluating and benchmarking employees' competitiveness.

“Employees should be taught to provide good customer service which includes Islamic financing, effective communication skills, issue-solving and complaint resolution” (R3).

After the discussions with the interviewees, the researcher gathered five success factors related to the challenge of employees' insufficient knowledge of Islamic banking. They are as shown in Table 7:

Table 7: Critical success factors of Employees' insufficient knowledge of Islamic banking

Challenge	Critical Success Factors
5. Employees' insufficient knowledge of Islamic banking	Hire qualified Shari'ah scholars and experienced personnel Ensure good knowledge of Islamic banking to all employees Raise awareness of Islamic financing Engage in socially responsible finance Enhance competitiveness in Islamic banking

4.5.1. Hire qualified Shari'ah scholars and experienced personnel

Developing specific training programs and hiring experienced personnel to work in Islamic banking institutions is critical in addressing these obstacles. Islamic banks should smoothly interact with current conventional banking infrastructure to provide customers with seamless services. Several interviewees who were also bank experts pointed out that:

“The main challenges faced by Islamic banking in Bangladesh include the requirement for customers and bankers to be educated about this specific financial system” (R5).

“We need skilled employees as well as we need Shari'ah scholars to increase financial investments” (R9).

“Employees must have minimum education to start Islamic financing, and a strong shari'ah background. Must have publications in a recognized journal or book about Islamic finance and economics” (R5).

“Employees must have a good reputation and should be honest and have integrity” (R12).

4.5.2. Ensure good knowledge of Islamic banking to all of the employees

Organizations should adopt a comprehensive educational approach to Islamic banking by offering regular training, access to resources, expert lectures, internal knowledge-sharing, onboarding concepts, certifications, and assessments to ensure employees have a solid understanding. This is supported by two interviewees as follows:

“We ensure our employee's strong knowledge of Islamic banking by giving them full training. Newcomers must undergo three months of training” (R7).

“Every 3/4 months, we train all our workers to increase their knowledge of Islamic banking and finance. Once an employee has a thorough understanding of Islamic financing, they can work to attract more individuals to join Islamic banking” (R3).

4.5.3. Raise awareness of Islamic financing

Awareness of Islamic banking products involves understanding their content and functions through personal interactions or word-of-mouth. Still, Bangladeshi employees in this sector face challenges in being thoroughly assessed and evaluated.

“Conduct public awareness efforts to educate people about the benefits of Islamic financing and the products that are available” (R8).

“Islamic bank experts have explored how non-Muslim clients' understanding and perceptions of Islamic banks impact the industry's full potential” (R9).

4.5.4. Engage in socially responsible finance

Popular among a large proportion of Bangladesh's people is to adopt the ideas of socially responsible finance and ethical banking. Creating and selling Shari'ah-compliant items that accord with ethical ideals can be a strategic decision.

“Bank employees must have up-to-date expertise and abilities to carry out their tasks efficiently. Training can help them gain the Islamic knowledge and skills they need to meet customer requests, follow rules, and manage risks” (R5).

Interviewees highlighted the significance of CSR in achieving these goals.

“Shari'ah-based banking significantly contributes to Corporate Social Responsibility, accounting for 50% of initiatives in the sector, with IBBL alone contributing 29%, highlighting Islamic banks' strong commitment to societal and community support” (R2).

“Islamic banks' expenditures on CSR efforts remain low. So, Islamic banks should increase their CSR efforts for socio-economic development, with a focus on health, education, disaster management, rehabilitation, poverty eradication, and other philanthropic initiatives” (R8).

4.5.5 Enhance competitiveness in Islamic banking

In line with Bangladesh Bank's objectives, Islamic banks, branches and windows should embrace IT advancements and digital banking to achieve greater financial inclusion and progress toward a cashless society in Bangladesh. Interviewee R1 stressed thus:

“For the Islamic banking sector to attain its full potential, Bangladesh must pass comprehensive Islamic banking legislation that offer a legal framework that is proportionate to the industry's expansion” (R1).

Effective applications of rules and regulations, strong governance and ethical transactions are all required towards the development of a compliance corporate culture that will develop exemplary leadership in the banking sector. The following measures are expressed by the interviewee R15:

“Increasing competition in the banking sector can improve welfare by reducing monopoly profits, boosting financial access, and minimizing financial crisis risks” (R15).

If a bank wishes to boost its organization's profits, it should venture into the finest techniques in dealing with competition. Healthy competition is, in fact, a motivator for improvement and not to stay at the status quo.

5. DISCUSSION

5.1 Challenges faced by the Islamic banks in Bangladesh

Islamic banking in Bangladesh promotes financial inclusion by offering interest-free financing options, which can be more accessible to those who conventional banking systems may exclude (Ghouse et al., 2022; Ledhem, 2022). Additionally, it encourages ethical investments and risk-sharing, which can contribute to a more stable and socially responsible financial environment.

Islamic banks in Bangladesh navigate a complex landscape marked by several significant challenges. One major hurdle is the lack of good governance, leading to inefficient operations and inadequate regulatory oversight, ultimately eroding stakeholders' confidence. Six critical success factors were highlighted during the interview session. Interviewees and other researchers also identified lack of good governance created many challenges (Bangladesh Bank, 2022; Ghouse et al, 2022; Islamic Finance Development, 2020; Ledhem, 2022). The absence of a developed capital market further complicates matters, restricting access to diverse financial instruments and hindering investment opportunities (Bhuiyan et al., 2021). This is exacerbated by a liquidity crisis, with banks often struggling to maintain sufficient cash flow to meet their obligations and support customer needs. A liquidity crisis in Islamic banks in Bangladesh can arise from several factors, including economic instability, regulatory challenges, or issues specific to the banking sector's adherence to Shari'ah principles, which are Islam's moral and ethical principles. Also, macroeconomic changes, such as inflation, currency devaluation, or declining foreign investments, can affect the liquidity of banks in general. However, the interviewee and researcher agreed that limited access to Islamic interbank markets or a lack of diversified liquidity management tools could exacerbate liquidity issues (Akhter et al, 2025; Bangladesh Bank, 2022; Elgharbawy, 2020; Ghenimi et al, 2021) If the maturities of assets and liabilities are not correctly aligned, it can lead to a liquidity crunch. Islamic banks have the potential to overcome liquidity challenges by enhancing their liquidity management frameworks, developing better Shari'ah-compliant liquidity tools, and actively participating in policy discussions. This reassurance can help the audience feel confident about the future resilience of the Islamic banking sector.

Additionally, the limited availability of Islamic products and services means that customers need access to a full spectrum of financial solutions aligned with Shari'ah principles, which could drive potential clients toward conventional banks. Compounding these issues is the need for more knowledge of Islamic banking among employees, which affects service quality and the development of innovative, competitive products. These challenges collectively strain the growth and effectiveness of Islamic banking within the country, necessitating strategic interventions to enhance this sector.

Finally, knowledge among Bangladeshi personnel in the Islamic banking industry can result in higher client satisfaction, adherence to Shari'ah rules, and inefficiencies in banking operations. Five critical success factors were identified during the interviews. Banks should fund frequent training sessions to educate staff members on Islamic banking practices, goods, and services. Both interviewees and previous researchers highlighted that workshops, seminars, and online learning modules may fall under this category (Abdul & Sarker, 2022; Dona et al, 2023; IFSB, 2023; Mehmood et al, 2023; Rahman et al, 2024). Encouraging staff members to obtain internationally recognized awards in Islamic finance, such as best employee awards, can improve their comprehension of and dedication to banking that complies with Shari'ah. Understanding the social and ethical aspects of Islamic banking is imperative. Including this in training programs can facilitate employee alignment with the bank's values.

5.2 The critical success factors for the Islamic banks of Bangladesh

The lack of good governance in Bangladesh's Islamic banks can affect their operations. Addressing this requires six key factors: establishing a Shari'ah governance framework, improving corporate governance, creating a tailored regulatory framework, securing government support, enhancing transparency, and adhering to Islamic moral principles (Hasan et al., 2020). These measures will foster growth, stability, and public trust.

To address the lack of capital market investment, banks should prioritize Islamic derivatives, enhance financing opportunities, promote financial inclusion, improve risk management, diversify deposits, increase Sukuk investments, and standardize practices. These actions will strengthen their market position. Focusing on these factors can significantly improve Islamic banks' operational capacity and market position in Bangladesh, paving the way for a more robust financial ecosystem (Rahman et al., 2024).

The liquidity crisis can be addressed by improving liquidity management, securing long-term financing, controlling funding costs, boosting credit flow, reducing non-performing loans, and strengthening reserve management. These actions ensure financial stability.

Islamic banks should innovate continuously, promote lifelong learning, offer training programs, expand mobile banking, and adopt online monitoring systems. This will overcome challenges posed by the lack of diverse products. These programs equip staff with the skills to design and promote new financial solutions that align with Shari'ah principles (Abdul Awwal, 2022)

To improve employee knowledge, banks should hire qualified experts, provide training, raise awareness of Islamic finance, emphasize social responsibility, and focus on professional development. This will enhance service quality, customer trust, and employee competency, driving the growth of Islamic banking. To remain competitive, Islamic banks should therefore focus on continuous professional development, adopt new technologies and accommodate customer preferences (Abdul & Sarker, 2022; Dona et al., 2023). This includes leveraging digital platforms to improve service delivery and customer engagement and ensuring that employees are equipped with the tools they need to excel in their work performance.

In conclusion, by addressing governance, capital market, liquidity, product diversity, and employee knowledge challenges with targeted success factors, we can collectively strengthen Bangladesh's Islamic banks. Focusing on these areas will enhance operational efficiency, customer trust, and market competitiveness, driving long-term growth and stability.

6. CONCLUSION

A multi-faceted approach is needed to effectively address the challenges Islamic banks face in Bangladesh, as identified in this study. Strengthening governance frameworks is critical to enhancing operational efficiency and building stakeholder trust. This can entail enforcing strict regulations and encouraging openness in the banking industry. Establishing a more resilient capital market is essential to furnish Islamic banks with substitute financing alternatives, mitigating certain liquidity constraints. Promoting innovation in Islamic financial services and products can help them better satisfy customer needs and stand up to traditional banking options. Establishing extensive training programs is necessary to close the skills gap and raise staff members' proficiency with Islamic finance concepts. Islamic banks in Bangladesh can strengthen their resiliency, promote sustainable growth, and provide better community service through Shari'ah principles by addressing these issues. Addressing all these challenges through key success factors, including establishing a strong Shari'ah governance framework, expanding financial inclusion, and improving liquidity management, will help enhance operational efficiency. Additionally, focusing on employee training and innovation in product offerings will foster customer trust and

competitiveness. By addressing these areas strategically, Islamic banks can strengthen their market position, improve financial stability, and contribute to sustainable growth within the sector. This approach will foster long-term resilience and success.

For future study, it would be beneficial to explore the potential impact of digital transformation on the Islamic banking sector in Bangladesh to address some of its core challenges. Also, future research could examine customer satisfaction and trust in Islamic banking compared to conventional models. Studies on financial literacy and its effect on service adoption may offer critical insights. Exploring Shariah-compliant product innovation for SMEs and youth entrepreneurs would be beneficial. Research into risk management frameworks tailored for Islamic finance could improve institutional stability. The integration of ESG principles within Islamic banking practices also warrants investigation. Additionally, studying the effectiveness of various governance models and regulatory frameworks across different countries could provide valuable insights for improving governance standards in Bangladesh. Subsequent investigations could explore tactics to augment staff proficiency, like the function of accreditation schemes and collaborations with educational establishments that specialize in Islamic banking. By focusing on these research areas, Bangladesh's Islamic banking industry may grow and reach its full potential.

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Appendix I:

List of Islamic banks and branches of Bangladesh

No	Name of Banks	Years of Establishment	Total branches
1	Islami Bank Bangladesh PLC (IBBPLC)	1983	395
2	Al Arafah Islami Bank PLC (AIBPLC)	1995	215
3	Social Islami Bank PLC (SIBPLC)	1995	179
4	Standard Bank Limited (STBL)	1999	138
5	Export-Import Bank of Bangladesh Limited (EXBL)	1999	151
6	First Security Islamic Bank PLC (FSIBPLC)	1999	205
7	Shahjalal Islami Bank PLC (SJIBPLC)	2001	140
8	Union Bank PLC (UNBPLC)	2013	114
9	Global Islamic Bank PLC (GIBPLC)	2013	101
10	ICB Islamic Bank Limited (ICBIBL)	1987	33
	Other than Conventional Banks having Islamic Banking Windows:		
	1. Agrani Bank PLC (ABPLC)		
	2. Rupali Bank Limited (RBL)		
	3. Sonali Bank PLC (SBPLC)		
	4. Standard Chartered Bank (SCB)		
	5. Mutual Trust Bank PLC (MTBPLC)		
	6. Bank Asia Limited (BASL)		
	7. Trust Bank Limited (TBL)		
	8. NRBC Bank PLC (NRBCBPLC)		
	9. South Bangla Agriculture and Commerce Bank PLC (SBACBPLC)		
	10. Meghna Bank PLC (MEGBPLC)		
	11. Midland Bank Limited (MDBL)		