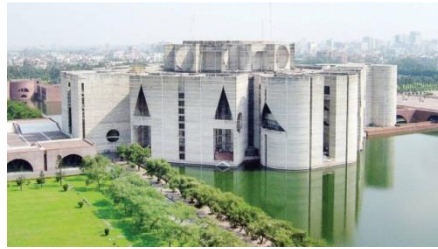


Welcome to the Presentation

Of

Bangladesh Bureau of Statistics (BBS)



Islamic Finance in Bangladesh

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Outline

- Official Statistical system of Bangladesh
- About BBS
- Background of IF in Bangladesh
- Chronology of IF in Bangladesh
- Scenario of IF in Bangladesh
- Practices of BBS in compilation of Financial Statistics
- Initiatives of BBS in compilation of IF data
- Challenges/Limitations of IF in Bangladesh
- Conclusion

Official Statistical system of Bangladesh

- Centralized Statistical System
- Statistical Act 2013
- Other Organizations Producing OS (Ministries, BB, BANBEIS)

About BBS

- BBS was established in 1974
- BBS plays the role of NSO
- BBS is mandated for OS
- Vision of BBS

To become a world-class provider of authentic, relevant and timely data in a holistic and user-friendly manner.

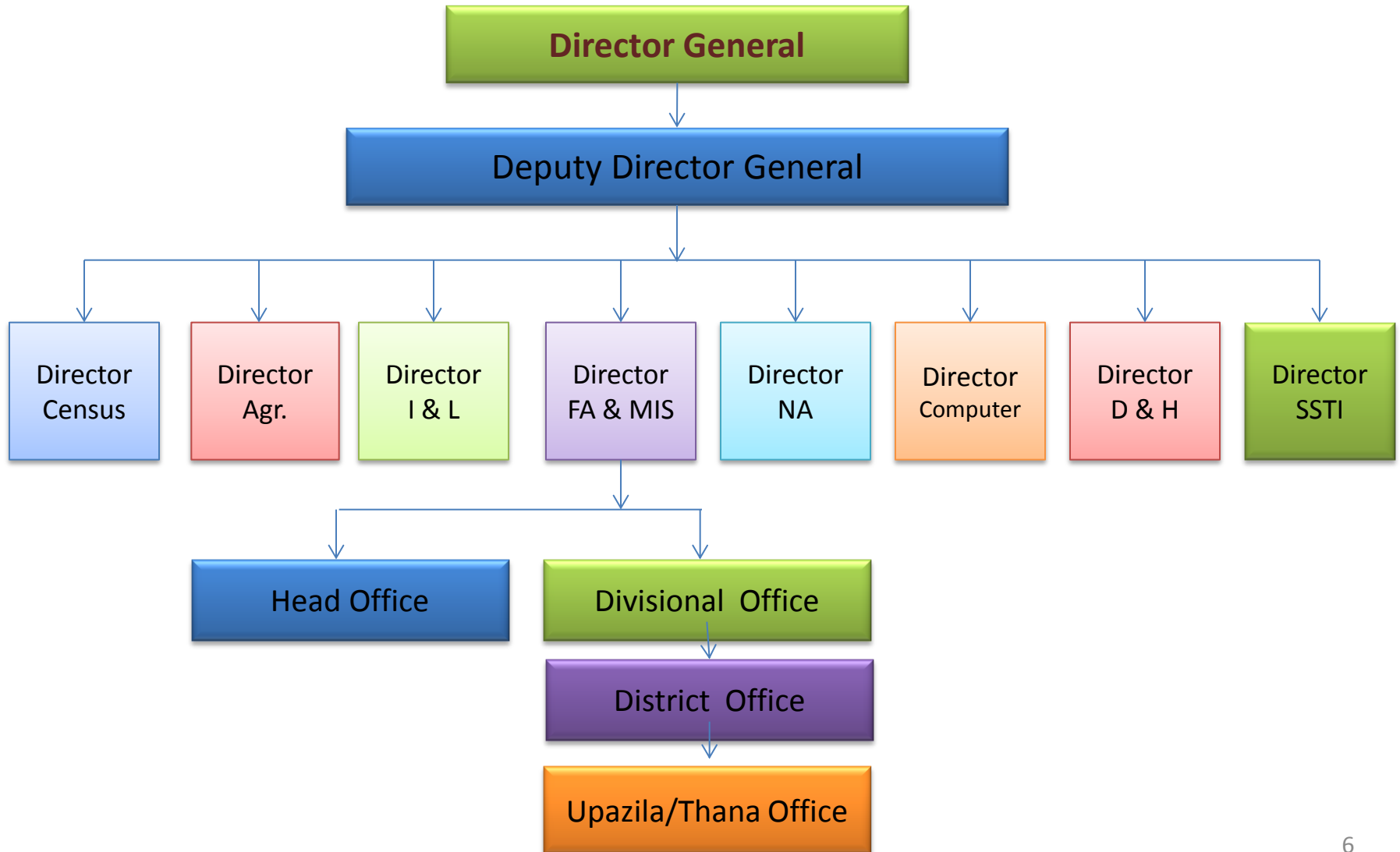
- Mission of BBS

To establish an integrated, professional, efficient and effective NSS, under the guidance and leadership of the BBS

To produce and publish official statistics that meet the current and growing needs of national and international users in a transparent and timely fashion using international standards and the best statistical practices

About BBS (Contd.)

- Organogram



Background of IF in Bangladesh

- Bangladesh is the most densely populated country with Muslim majority
- The country is treated as potential market for Islamic financial institutes since its independence in 1971
- In November 1982 a delegation of IDB visited Bangladesh and found that lot of work already been done in introducing Islamic banking

Chronology of IF in Bangladesh

- 1983- Inception of Islamic Banking
- 1989- Inception of Islamic Micro Finance Institutions
- 1999- Inception of Islamic Insurance
- 2001- Introduction of Non-Banking Islamic Financial Institutions
- 2010- Inception of Mutual Funds
- Inception of Separate Shariah Index:
 - 2014- DSE
 - 2016- CSE

Scenario of IF in Bangladesh

Islamic financing in Bangladesh at a glance;

Type of institutions	Total number of Institutions	Number of Islamic institutions (Branches)	Having Islamic window (No. of windows)	Market share
Bank	57	8 (966)	15 (25)	20%
Non-Bank Financial Institutions	33	2		3%
Insurance	78 (L-32, NL-46)	11 (L-8, NL-3)		17%
Mutual Funds	35	3		8%
Microfinance	697	13		
Stock Market	2	A separate shariah index comprising of 70 out of 293 companies in DSE and 63 out of 258 in CSE is being compiled		

Practices of BBS in compilation of Financial Statistics

- Currently BBS is using FY 2005-06 as the base year in compiling its national accounts statistics
- Islamic financing is not separately compiled in Financial Intermediation sector in current practice

Initiatives of BBS in compilation of IF data

- Recently a project has been taken to revise and rebase the current base year (FY 2005-06) to FY 2015-16
- Considering the importance and demand, initiatives have been taken to address the Islamic financing separately under financial intermediation sector including FISIM (Financial Intermediation Services Indirectly Measured) in upcoming national accounts compilation with the new base year.

Challenges/Limitations of IF in Bangladesh

- The country does not have a full-fledged law for the sector
- Central Bank is not compliant with Islamic banking since there is no separate money market for Islamic financing
- Absence of Islamic reinsurance company
- Lack of expertise in knowledge combination of shariah and Islamic finance

Conclusion

- Islami Bank Bangladesh Limited (IBBL) is considered to be the first interest free bank in Southeast Asia
- Faster growing of IF is attributed to its intrinsic value, uniqueness and distinctive system
- Islamic banking is growing rapidly in Bangladesh with a market share of about 20 percent
- A research by BIBM showed that the net profit margin for conventional banks was 1.9 percent against 3.6 percent for Islamic banking in 2016
- Islamic Bank Bangladesh Ltd (IBBL) is the leader in private banking.
- Sustainability of IF in Bangladesh is expected to be stronger

THANK YOU