

Grameen Bank & Islami Bank Bangladesh Limited - Two Paths of Social Business and Their Unique Financial Journey

Hafizur Rahman^{1*} and Khwaja Aziz²

¹B.A (Hon.) M.A CPA, CGFM, Executive Juris Doctor (EJD) - Silver Spring, Maryland, Former Professor of Economics, Abu Dharr Gifari College, Bangladesh, Alumnus Franklin Fellows - US Department of State, President, B-Business LLC

²M.S, Ph.D (Duke), Distinguished Professor, International University of Business, Agriculture and Technology, Fellow, American Association for Advancement of Science -AAAS)

***Corresponding Author:** Hafizur Rahman, B.A (Hon.) M.A CPA, CGFM, Executive Juris Doctor (EJD) - Silver Spring, Maryland, Former Professor of Economics, Abu Dharr Gifari College, Bangladesh, Alumnus Franklin Fellows - US Department of State, President, B-Business LLC.

Received: May 12, 2022; **Published:** May 24, 2022

DOI: 10.55162/MCET.02.044

Abstract

According to a research the number of social businesses is estimated to exceed 20000 globally. "34% are in operation for between 2-5 years and constitute 2-3% of GDP-2010" [2-4]. In fact, modern social business is a recent phenomenon increasingly receiving worldwide attention especially when income inequality is expanding exponentially parallel to the growth of dollar millionaires both in the developing and developed societies. This paper demonstrates how social business can vary in form, distinct both in principles and practices but unique in substance. In other words, how they operate to impact economic life of men and women especially in poverty reduction and economic growth of a nation such as Bangladesh.

Keywords: Shariah based; Model; Income; Hypothesis; Investments; Rural development; Empowerment; Poverty reduction

Introduction

The establishment of "Grameen Bank" in 1983 by 2006 Peace Prize Nobel Laureate Professor Mohammed Yunus is a milestone in the history of social business. In fact, he may be called the father of modern institutional social business. This was the first collateral free loan in-built in peer group practice. Peer pressure and peer support are two important elements that play key role in this business. Like other banks it finds it is ok to carry the business with the practice of interest. Take deposit from customers, give them interest for fixed deposit (in a predetermined price and also collect interest it keeps money as a fixed deposit with other financial institutions). Within a window of less than forty years, the concept of social business has become so popular that till the writing of this paper more than one hundred countries have embraced it as an ideal model of poverty reduction and women empowerment. Islami Bank Bangladesh Limited, on the other hand, a Shariah based commercial bank established also in 1983 started operating its social business by launching its network called Rural Development Scheme (RDS) in 1995. Taking interest and giving interest is forbidden in this banking system. The Quranic injunction "Thus Allah forbidden interest and allowed trading - Al Quran 2:275)" is the core guiding principle. Therefore, in this social business, interest is essentially forbidden. Transactions are carried either on profit and loss basis or assets backed trading basis with strict restrictions where socially harmful or unethical business are treated equally forbidden. With all these yes and nos, although twelve years younger than Grameen Bank, RDS has been able to make an in-road to be an effective peer of the

Grameen Bank empowered by its parent Islami Bank Bangladesh Limited (IBBL). In its 2019 Annual reports IBBL mentioned that RDS is taking numerous micro projects even so small such as “setting up tube-well, sanitary latrine. Quard-al-hasana (good-will debt with no interest) is also provided for rehabilitation purposes on account of natural and social disasters up to Tk.10, 000/- (\$118) and rehabilitation of the hardcore poor who are not the members of RDS under welfare activities up to Tk.5, 000/- (\$59)”.

Reviews the related literature and proposed relationships in the conceptual model

“With a weak economy, overcrowded cities, a high exposure to catastrophic weather, Bangladesh has remained one of the least developed countries (LDCs) in the world, and has received more than \$30 billion in international assistance over the past three decades. However, Bangladesh is also the birthplace of the Grameen Bank, one of the great success stories in third world development”. Observed Scott Kohler, Ford Foundation 1976 - (https://cspcs.sanford.duke.edu/sites/default/files/descriptive/grameen_bank.pdf).

Third Islamic summit conference 25-28 January 1981 - mandated that “Islamic countries should develop a separate banking system of their own in order to facilitate their trade and commerce”.

UNDP-2017 - In “Scaling up Islamic Microfinance in Bangladesh through the Private Sector” UNDP report referred to a World Bank study that mentions” that there are more than one million small businesses in Bangladesh as potential borrowers, but only 7 percent of them have access to formal financial institutions. IBBL created this programme in order to capture this market and to address the gap that the government, conventional MFIs and NGOs failed to address”.

Chakraborty: (2015) observed a “new silver lining” and an “increasing performance efficiency” in his “Financial Performance Analysis of Islamic Banks in Bangladesh: A Case Study on Islami Bank Bangladesh Limited (IBBL)” after evaluating IBBL operational activities in terms of productivity ratio, solvency ratio, quick ratio and similar other performance indicators.

Hossain: (2017) remarked that “level of trust and confidence of the people of Bangladesh is increasing in Islamic banks with the passage of time similar other performance indicators and manifestation of a positive attitude of the people for considering Islamic financial products as alternate and viable financing options”.

Ana Maria Moreno (2010) - in the Honors Theses Paper Maria Moreno remarked in the conclusion “although Grameen-like micro-finance may not be a panacea for global poverty alleviation, given its limitations, the success of the Grameen Bank has nevertheless demonstrated that microfinance can be an effective development tool.” that provides new food for thought about finding an alternate like Islami Bank Bangladesh Limited (IBBL) that has been operating its Rural Development schemes.

Habib Ahmed (2002) - Ahmed inferred that Islamic Microfinance institutions (MFIs) are financing the poorest, as a result extreme poor are integrated in the financing model by integrating the Zakat principle.

Methodology, Design of the study and Data collection Procedure

The study is based on secondary data primarily of company annual reports, annual audited financials posted in their respective websites on the internet for the period from 2009 -2019. The large body of data has been taken in order to verify data integrity for comparison and underlying analysis. Besides, other public research literature, interview with past & present IBBL executives, desk-visits and author’s personal experience. The study is designed on the following hypothesis:

Hypothesis 1: Observed relationships in Financial Performance between Islami Bank Bangladesh Ltd - (IBBL) & Grameen Bank (GB) are reliable & statistically significant i.e P-value is less than 0.05 in a paired t-test. A paired t-test has been selected as it shows the difference between two variables for the same subject where Pearson’s correlation confirms that there exists a linear (direct) relationship between variables. A one-tailed test is selected that under a statistical hypothesis test set up the sample mean would be higher or lower than the population mean, but not both.

Hypothesis 2: The same methodology has been used to show the observed relationships in Financial Performance between I Grameen Bank (GB) & Rural Development Scheme (RDS) of Islami Bank Bangladesh Limited. Excel Software was employed to calculate P-value & other statistical results throughout this paper.

Data analysis and Results

Table 1 and Fig 1 show that over the period 2009-2019 Grameen Bank with a cash balance of average \$32,427 compared to \$117,765,732 of Islamic Bank Bangladesh managed their banking operation. This phenomenal difference is primarily due to the characteristics of their modus operandi. As a commercial bank (IBBL excluding its micro financing segment RDS) requires critical liquidity balance for daily operation. Grameen Bank is a hundred percent micro financing institution where higher balance is not required for its daily operation. Grameen Bank smartly used this operating advantage and parked majority of its deposits in other financial institutions to earn lucrative interest income. It effectively utilized this unique structural characteristic in generating interest income (from an annual average fixed deposits of over one billion dollar - Table 3 below). The average annual income was over \$98.4Million, 25% equivalent to its annual operating income - Table 3 below). At \$ 117.8 million annual average cash in hand Islami Bank Bangladesh Limited (IBBL) on the other hand creditably managed its liquidity balance over the period (2009-2019) earning an excellent rating from its customers. In this way both the institutions successfully managed their liquidity requirements to materialize their operational goals prudently.

Liquidity

<i>Year</i>	<i>Islami Bank- IBBL</i>	<i>% Change</i>	<i>Grameen Bank</i>	<i>% Change</i>	<i>Test Results</i>
2009	\$35,864,861		\$16,185		
2010	\$53,843,990	48%	\$12,732	-21%	
2011	\$ 76,831,633	45%	\$36,822	189%	
2012	\$88,079,792	15%	\$25,457	-31%	
2013	\$105,145,848	19%	\$27535	8%	
2014	\$99,275,699	-6%	\$23,510	-15%	
2015	\$117,342,775	18%	\$27,848	18%	
2016	\$147,542,592	26%	\$69,729	150%	
2017	\$188,518,813	28%	\$21,002	-70%	
2018	\$207,138,589	10%	\$42,821	104%	
2019	\$176,607,592	-15%	\$53,054	24%	
Average Yearly	\$117,765,732		\$32,427		

Table 1: Cash in hand.

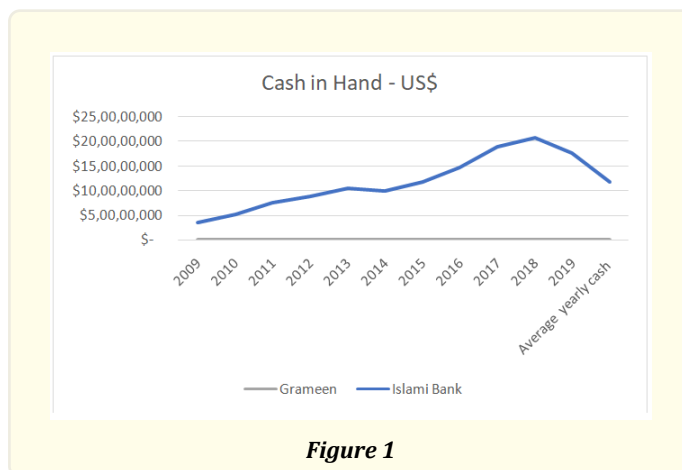


Figure 1

As seen in Table 2, the p-value in t-test shows a statistically very significant difference and a linear (direct) relationship between Grameen Bank & Islami Bank Bangladesh Limited as far as Cash in Hand is concerned.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	30364.04393	111881546.4
Variance	270166009.7	3.05386E+15
Observations	10	10
Pearson Correlation	0.485609811	
Hypothesized Mean Difference	0	
df	9	
t Stat	-6.401452126	
P(T<=t) one-tail	6.25296E-05	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.000125059	
t Critical two-tail	2.262157163	

Table 2: t-Test: Paired Two Sample for Means Grameen Bank/Islami Bank Bangladesh Limited - Cash in Hand

<i>Year</i>	<i>Balance</i>	<i>Percent of Fixed Deposit income to Operating Income</i>
2009	\$541,907,353	27%
2010	\$675,151,932	22%
2011	\$ 863,794,430	28%
2012	\$888,299,916	33%
2013	\$987,082,360	34%
2014	\$1,211,370,038	34%
2015	\$1,429,558,580	30%
2016	\$1,352,935,885	24%
2017	\$995,246,752	16%

2018	\$1,220,863,714	17%
2019	\$1,241,474,260	21%
Average Yearly	\$1,037,062,293	
Average Annual Income from Fixed Deposit	\$98,413,613	25%

Table 3: Fixed Deposits to other banks\institutions by Grameen Bank.

Investments, Total Assets & Equity Growth

Table 4 & Fig 2 show that Investment balances in GB primarily represent loans and advances. It indicates that it posted a progressive growth over the years and the largest outstanding balance in 2018 was \$2.3 billion compared to IBBL's (\$10.6 billion). IBBL's approximately USD 6.5 billion annual average investment balance during a decade, was more than fourfold higher than GB's and was very effectively invested in the productive sectors (as seen in Table below). Needless to mention that this contributed to the tremendous economic growth and women employment (empowerment of woman and reduction of poverty). In fact, this continues to represent the impeccable landscaping of the success of Shariah compliant [1] banking of IBBL in Bangladesh.

According to The Economist, "Islami Bank was a pioneer in financing Bangladesh's rise as the apparel industry's main production base outside China" [5]. As seen in Table 4 and Fig.2, although annual average outstanding balance of RDS was 16% of GB balance, IBBL implemented its scheme very cost effectively by engaging a labor force of 2,479 compared to 18,105 by Grameen Bank as at December 31, 2019. This was equivalent to 14% of GB entire labor force. IBBL's total manpower strength inclusive of RDS was 14,608 during the same comparable year and confirms IBBL's cost effectiveness. Following tables and charts will indicate the sectoral outstanding balances of both IBBL & GB for the year 2019. It is emphasized again, that the GB first time in Bangladesh introduced a collateral free micro financing system institutionally that received worldwide applaud. RDS in its rural development outreach also adopted this collateral free financing and combined it with the traditional investment practices based on Shariah teaching that made it distinct from Grameen Bank practices. On the other hand, Grameen Bank investment in multiple social business sectors that, in forty years, its message did spread across the world. Both the paths spread the message that investment growth is highly feasible under either way.

Year	Islami Bank (IBBL)	Grameen Bank (GB)	RDS
2009	\$3,102,729,525	\$814,790,068	\$54,246,060
2010	\$4,141,727,675	\$972,675,262	\$72,647,853
2011	\$4,750,187,875	\$1,281,176,181	\$116,700,165
2012	\$4,753,975,934	\$1,160,738,188	\$145,081,123
2013	\$4,672,337,712	\$1,127,341,485	\$176,489,974
2014	\$5,584,987,762	\$1,182,036,844	\$224,171,289
2015	\$6,648,065,589	\$1,375,132,344	\$282,941,096
2016	\$8,355,039,599	\$1,805,354,917	\$356,340,079
2017	\$8,735,613,797	\$2,001,109,967	\$374,216,899
2018	\$10,618,903,317	\$2,280,914,312	\$411,519,642
2019	\$10,126,469,154	\$1,985,774,278	\$384,647,937
Average	\$6,499,094,358	\$1,453,367,622	\$236,272,920

Table 4: (Outstanding Investments Balances By Year).

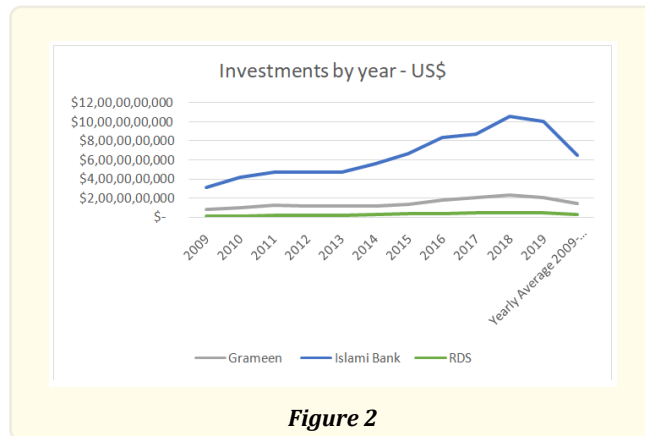


Figure 2

As seen in Table 5 & 6, the p-value in t-test shows a statistically very significant difference and a linear (direct) relationship between Grameen Bank & Islami Bank Bangladesh Limited (IBBL) and Grameen Bank and Rural Development Scheme (RDS) of IBBL as far as investment is concerned.

	Variable 1	Variable 2
Mean	1453367622	6499094358
Variance	2.33237E+17	6.59686E+18
Observations	11	11
Pearson Correlation	0.980690951	
Hypothesized Mean Difference	0	
df	10	
t Stat	-7.98056103	
P(T<=t) one-tail	6.01424E-06	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	1.20285E-05	
t Critical two-tail	2.228138852	

Table 5: t-Test: Paired Two Sample for Means Grameen Bank\Islami Bank Bangladesh Limited - Investment.

	Variable 1	Variable 2
Mean	1453367622	236272919.8
Variance	2.33237E+17	1.7459E+16
Observations	11	11
Pearson Correlation	0.945153972	
Hypothesized Mean Difference	0	
df	10	
t Stat	11.1926329	
P(T<=t) one-tail	2.8042E-07	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	5.6084E-07	
t Critical two-tail	2.228138852	

Table 6: t-Test: Paired Two Sample for Means Grameen Bank\Rural Development Scheme of IBBL - Investment.

Sector	Outstanding Balance
Industrial sector	\$3,647,913,483
Ready-made Garments	\$520,618,314
Textile	\$1,350,076,408
Housing	\$831,820,853
Agro-based Industry	\$2,060,985,071
Electricity & Power	\$51,745,621
Transport	\$99,153,638
Pharmaceutical & Health	\$ 150,264,488
Information technology	\$2,503,820
Cluster Based Investment	\$1,104,972
Cottage, Micro, Small & Medium Enterprises (CMSME)	122,878,806
Rural development Scheme	\$384,647,937
Steel sector	\$415,975,079
Other	\$486,780,663
Total	\$10,126,469,15

Table 7: Outstanding Investment Balances of IBBL as at December 31, 2019 –By Sector.

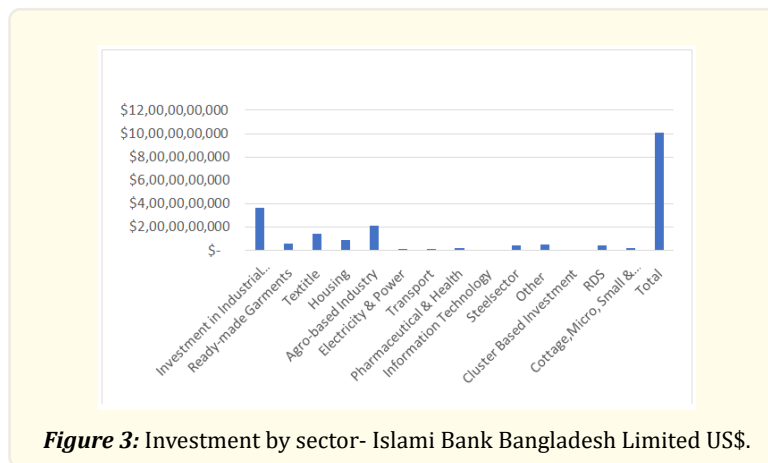


Figure 3: Investment by sector- Islami Bank Bangladesh Limited US\$.

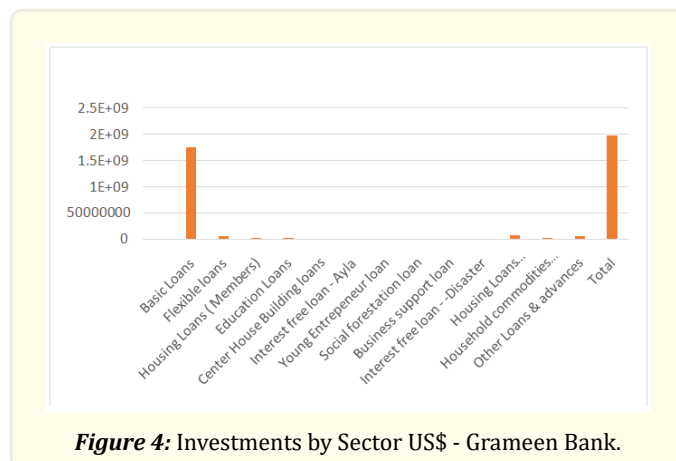


Figure 4: Investments by Sector US\$ - Grameen Bank.

Sector	Outstanding Balance
Basic Loans	\$1,749,837,009
Flexible Loans	\$53,693,955
Housing Loans (Members)	\$11,851,895
Education Loans	\$22,422,056
Center House Building Loan	499,722
Interest free loans - Ayla	\$118,820
Business Support loan	\$65,515
Interest free loans - Disaster	\$1,636,883
Young Entrepreneur loans	\$1,014,472
Social Forestation loan	\$17,948
Housing loans advances (staff)	\$72,078,339
Household commodities - advances	\$24,284,610
Other Loans & Advances	\$43,997,446
Total	\$1,981,518,721

Table 8: Sector Wise Outstanding Investment Balances of GB as at December 31, 2019.

Table 9 indicates that IBBL's 25% investment balance at \$2.6 billion (presented below) as of December 31, 2019 in the three categories was 30% higher than the entire investment balance of GB (\$2.0 billion) during the same period. As revealed in Table 9 below, Grameen Bank's (GB's) investment balances during 2019 comprised mostly (88%) Basic loans, followed by housing loan 3%, Flexible loan 3%, other loans 2% and education loan 1%. Given the resource constraint, volume of the investment balances appear to be allocated into too many sectors. However, these are noble efforts and RDS should follow the diversity. RDS, IBBL's instrumentality of rural development of social business emerged more than a decade later than Grameen Bank (GB). Given this fact, together with IBBL's allocation of investment resources towards agro based and RDS and cottage, micro, small & medium enterprises (CMSME) was promising and competitive. However, in order to cater the increasing requirements of rural population, mobilization of voluntary zakat (compulsory Shariah guided charity through RDS) to be reorganized through regulatory approval) will solve the funding issue considerably and will add a new dimension of Shariah model to social business. However, in the emerging and developed nations where Shariah based banking is non-existent, traditional banks may experiment opening a voluntary charity organ to their main functionality and receive charity to finance poverty alleviation (after obtaining legal approval from the respective regulatory bodies) in line with IBBL experience. This will provide a good opportunity for the researchers to examine further the performance of banks to alleviate poverty both in the rural and urban areas in these countries against the performance that Bangladesh is currently experiencing.

Sector - IBBL	Balance as at December 31, 2019
Agro-based Industry	\$2,060,985,071
RDS	\$384,647,937
Cottage, Micro, Small & Medium Enterprise (CMSME)	\$122,878,806
Total	\$2,568,511,814

Table 9: IBBL's Comparable sectors to Grameen Bank total Investment as of December 31, 2019.

Table 10 and fig. 4 below depict that total assets grew progressively both in GB & IBBL. Since RDS is an operational program of IBBL, total assets of IBBL include RDS segment. In 2019 the size of total assets in Islami Bank Bangladesh Limited (IBBL) was four times larger than Grameen Bank (GB). Both the organizations registered comparable growth on average at 13% (IBBL) and 9% (GB) during 2009-2019 while similar trends of data dispersion was observed in both of them. IBBL having a rural development scheme (RDS)

fully operational and expanding, showed that its commitment to social business is tested over time and consistent with the expanded objectives of Grameen Bank. It may be noted that IBBL initially invested vigorously, significant of its assets in productive sectors like garment industry that employs over three million people, 85% workers being women [7]. This also suggests that if Grameen Bank is the pioneer in women empowerment in Bangladesh, then Islami Bank Bangladesh Limited (IBBL) is its closest ally in this noble journey of effective women emancipation. It is note-worthy to mention that IBBL continues successfully to combine its commercial goals with social investment and is achieving a win win situation in its Sharia perspective (Shariah Banking inspires effective women empowerment as the main fabric of its model roots in the teaching of Prophet Mohammad- peace be upon him, who said 'heaven lies beneath the feet of a mother').

Year	<i>Islami Bank (IBBL)</i>	<i>% Change</i>	<i>Grameen Bank</i>	<i>% Change</i>
2009	\$4,023,461,612		\$1,489,160,883	
2010	\$4,699,831,082	17%	\$1,782,726,158	20%
2011	\$ 6,425,340,004	37%	\$2,317,512,922	30%
2012	\$6,739,246,736	5%	\$2,219,383,865	-4%
2013	\$7,022,613,951	4%	\$2,299,955,989	4%
2014	\$8,404,223,961	20%	\$2,592,047,612	13%
2015	\$9,873,052,866	17%	\$3,004,835,306	16%
2016	\$11,633,278,324	18%	\$3,343,940,873	11%
2017	\$11,839,946,605	2%	\$3,153,712,219	-6%
2018	\$13,951,618,944	18%	\$3,684,521,826	17%
2019	\$13,426,376,953	-9%	\$3,367,247,451	-4%
Average	\$8,912,616,052	13%	\$2,659,549,555	9%

Table 10: (Total Assets) – US\$.

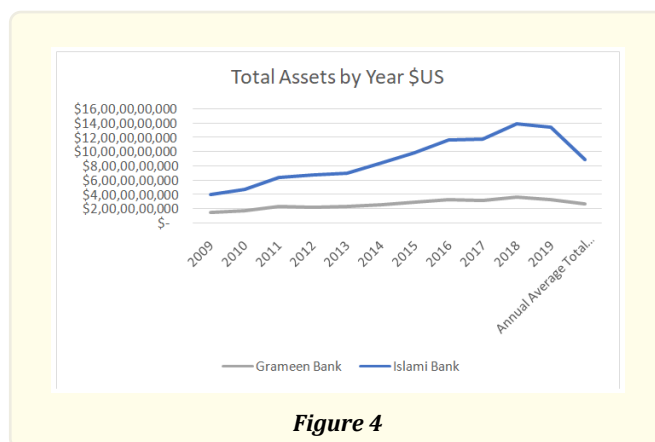


Figure 4

As seen in Table 11, the p-value in t-test shows a statistically very significant difference and a linear (direct) relationship between Grameen Bank & Islami Bank Bangladesh Limited (IBBL) as far as total assets are concerned.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	2659549555	8912616052
Variance	4.96644E+17	1.19052E+19
Observations	11	11
Pearson Correlation	0.984411753	
Hypothesized Mean Difference	0	
df	10	
t Stat	-7.51569422	
P(T<=t) one-tail	1.01299E-05	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	2.02598E-05	
t Critical two-tail	2.228138852	

Table 11: t-Test: Paired Two Sample for Means Grameen Bank/Islami Bank Bangladesh Limited - Total Assets.

Deposits from Customers\Members & Non Members

Analysis: Deposits in banking operation either from its customers or members or non- members are its major liabilities and are considered the circulating blood of the institution. Table 12 and Fig 5 show how they evolved in a decade from 2009-2019 for IBBL, RDS and GB: During 2019 the total number of GB's members reached at 9.2 million. On the other hand IBBL had over 13 million depositors throughout Bangladesh as of December 31, 2019 with a deposit balance of \$11.0 billion (more than 3 times of GB). IBBL had utilization balance ratio of 109% (percent of Investment balance to Deposit balance) which invested in the sectors elaborated in Table 7 above. The statistics and experience suggest that both GB & IBBL utilized them effectively. RDS's average annual deposits of \$80 million was not competitive compared to GB (\$ 2258 million). RDS had 1.4 million members at the end of December 2021, equal to 15% of the GB membership. RDS should consider an aggressive drive to increase the membership, which has a huge potential given the fact that IBBL commands 90% of Islamic banking assets and deposits in Bangladesh [9] where 90.4% of the population are Muslims in 2011(10). It is further emphasized that according to CGAP (2008) "72 percent of people living in Muslim majority countries do not use formal financial services, even when financial services are accessible" (page 4 Scaling up Islamic Microfinance in Bangladesh through the Private Sector: Experience of Islami Bank Bangladesh Limited IBBL). It is noted that average deposit balance to average investment balance ratio was 115% in IBBL compared to 155% in GB and 33% in RDS. IBBL should accelerate its investment efforts to be competitive to GB in this vital indicator.

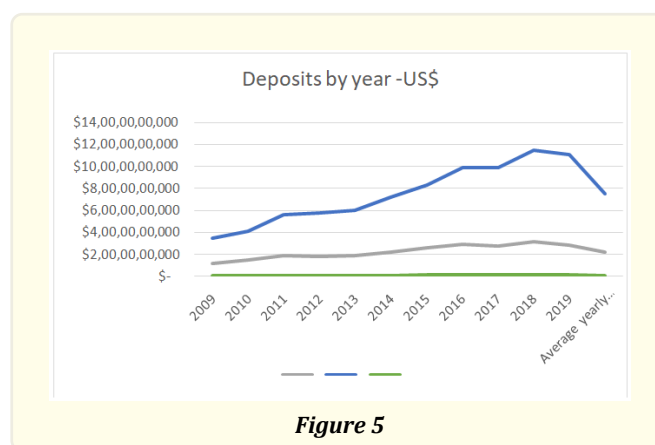


Figure 5

<i>Year</i>	<i>Islami Bank (GB)</i>	<i>Grameen Bank (GB)</i>	<i>RDS</i>
2009	\$3,494,960,687	\$1,204,723,646	\$21,523,348
2010	\$4,107,961,227	\$1,493,076,495	\$25,242,678
2011	\$5,593,898,975	\$1,939,214,099	\$38,621,287
2012	\$5,775,315,609	\$1,832,903,030	\$46,390,952
2013	\$6,015,325,365	\$1,909,331,030	\$56,271,979
2014	\$7,172,238,952	\$2,192,716,552	\$73,870,115
2015	\$8,295,279,294	\$2,582,022,147	\$94,312,202
2016	\$9,848,679,657	\$2,913,062,545	\$115,944,598
2017	\$8,864,098,257	\$2,742,137,617	\$122,844,301
2018	\$11,436,776,497	\$3,167,432,889	\$146,300,853
2019	\$11,041,026,689	\$2,866,228,201	\$134,785,875
Average	\$7,513,232,837	\$2,258,440,750	\$80,058,443

Table 12: Deposit Balances by Year (In USD).

As seen in Table 13 & Table 14 the p-value in t-test shows a statistically very significant difference and a linear (direct) relationship between Grameen Bank & Islami Bank Bangladesh Limited (IBBL) and between Grameen Bank and Rural Development Scheme (RDS) of IBBL as far as deposit is concerned.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	2258440750	7513232837
Variance	4.06816E+17	7.62386E+18
Observations	11	11
Pearson Correlation	0.986174422	
Hypothesized Mean Difference	0	
df	10	
t Stat	-8.164039096	
P(T<=t) one-tail	4.92636E-06	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	9.85273E-06	
t Critical two-tail	2.228138852	

Table 13: t-Test: Paired Two Samples for Means Grameen Bank\Islami Bank - Deposits.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	2258440750	80058443.14
Variance	4.06816E+17	2.11074E+15
Observations	11	11
Pearson Correlation	0.972351326	
Hypothesized Mean Difference	0	
df	10	
t Stat	12.17856104	
P(T<=t) one-tail	1.27111E-07	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	2.54223E-07	
t Critical two-tail	2.228138852	

Table 14: t-Test: Paired Two Sample for Means Grameen Bank\RDS of IBBL - Deposits.

Table 15 Rate of Return on Deposits by Year

A further analysis in Table below under 15 suggests that the average rate of return from deposits in IBBL, the depositors receive 5% compared to 8% in GB (primarily GB members are their depositors). This is clearly a disincentive on the part of RDS depositors. Over the years, Grameen Bank did show that it has been rewarding its members and is accelerating its campaign of social business. This superior performance does indicate that IBBL is behind GB in this important indicator. The possible remedy will be to allow RDS depositors to receive the average dividends that IBBL shareholders receive. For last several years it was 10%. This will act a definite incentive in order to make RDS more attractive and competitive to Grameen bank. A serious policy note is to remember that several studies showed that under microfinance the extreme poor are not its major beneficiaries. (Please refer Page 6, UNDP- 2017 scaling up Islamic Microfinance in Bangladesh through the Private Sector: Experience of Islami Bank Bangladesh Limited (IBBL).

They cannot afford to make deposit. Under these situations, alleviation of poverty is merely a slogan and not a reality. To overcome this grave situation, RDS should instead of primarily becoming financier should take the role of custodian. As a model that will be the prime component of Shariah system of microfinancing. Take zakat deposit from the public who volunteer to get their Zakat (monetary obligation for every Muslim upon whom zakat is obligated religiously) distributed through RDS. IBBL should address this area seriously and immediately take necessary regulatory approval from the government and incorporate zakat distribution a routine functionality of RDS.

<i>Year</i>	<i>Deposits in IBBL</i>	<i>Profit from Deposits (IBBL)</i>	<i>% Profit From Deposit (IBBL)</i>	<i>Deposits in Grameen Bank (GB)</i>	<i>Profit from Deposits (GB)</i>	<i>% Profit from Deposits (GB)</i>	<i>Profit on Deposits (IBBL)</i>	<i>Findings</i>
2009	\$3,494,960,687	\$189,055,870	5%	\$1,204,723,646	\$102,183,601	8%		
2010	\$4,107,961,227	\$246,371,994	6%	\$1,493,076,495	\$157,095,215	11%		
2011	\$5,593,898,975	\$303,650,463	5%	\$1,939,214,099	\$175,536,843	9%		
2012	\$5,775,315,609	\$361,217,889	6%	\$1,832,903,030	\$167,619,566	9%		
2013	\$6,015,325,365	\$397,175,830	7%	\$1,909,331,030	\$175,241,561	9%		
2014	\$7,172,238,952	\$394,594,834	6%	\$2,192,716.552	\$193,569,903	9%		

2015	\$8,295,279,294	\$390583,639	5%	\$2,582,022,147	\$217,949,309	8%		
2016	\$9,848,679,657	\$427,695,546	4%	\$2,913,062,545	\$221,321,709	8%		
2017	\$8,864,098,257	\$413,965,193	4%	\$2,742,137,617	\$208,759,968	8%		
2018	11,436,776,497	\$531,064,873	5%	\$3,167,432,889	\$240,906,331	8%		
2019	\$11,041,026,689	\$528,124,652	5%	\$2,866,228,201	\$223,113,541	8%		
Average	\$7,513,232,837	\$380,318,253	5%	\$2,258,440,750	\$189,390,686	8%		

Table 15

Shareholders Equity, Net Income

Table 16 indicates that with 2.7 times higher share holders' equity than Grameen Bank, IBBL's average (2009-2019) return on shareholders' equity was 12% compared to GB's 13%. This confirms the relative earning strength of GB in this indicator. Also a recent trend (2018 & 2019) suggests that IBBL continued to remain behind GB significantly due to its underutilization of its deposits for investment. One of the arguments advocated by the IBBL supporters that every year IBBL pays tax to the government 11% (Table 17 below) equivalent to its annual operating income, while Grameen Bank is exempted from any corporate tax. They further advocate that IBBL's total taxes for the period 2009-2019 amounted to over \$927 million which is approximately equal to two years' operating income of Grameen Bank. Additionally, in order to be Shariah compliant, IBBL on average every year incurs a corporate zakat (compulsory religious charity) expense of \$ 5.6 million dollar (Table 17), which is one of the five pillars of Shariah model designed to poverty reduction in the communities. However, IBBL management should reexamine its investment strategy and should take lessons from recent performance of Grameen bank whether or not RDS can broaden its vision for social business and contribute Improvement in IBBL's bottom line performance.

Year	Shareholders Equity (IBBL) Balance	Profit (IBBL)	Profit on Shareholders Balance (IBBL)	Shareholders Equity (GB) Balance	Profit (GB)	Profit on Shareholders Balance (GB)
2009	\$342,280,284	\$49,205,608	14%	\$97,491,411	\$5,371,879	6%
2010	\$333,375,060	\$63,768,551	19%	\$125,348,656	\$10,765,444	9%
2011	\$455,672,523	\$76,313,427	17%	\$134,018,483	\$11,279,931	8%
2012	\$554,336,238	\$78,424,371	14%	\$127,620,313	\$20,313,532	16%
2013	\$562,836,425	\$64,978,948	12%	\$133,602,604	\$17,132,375	13%
2014	\$600,858,472	\$51,172,667	9%	\$137,274,110	\$5,623,775	4%
2015	\$643,349,832	\$42,856,302	7%	\$152,731,176	\$331,079	0.2%
2016	\$713,609,199	\$65,305,997	9%	\$179,990,909	\$20,307,961	11%
2017	\$666,808,752	\$88,611,378	13%	\$188,056,368	\$29,945,974	16%
2018	\$775,431,381	\$88,218,694	11%	\$243,761,692	\$48,724,849	20%
2019	\$697,945,507	\$64,425,080	9%	\$255,905,318	\$55,521,829	22%
Average	\$576,954,879	\$66,661,911	12%	\$161,436,461	\$20,483,512	13%

Table 16: Profit/ (Shareholders' Fund).

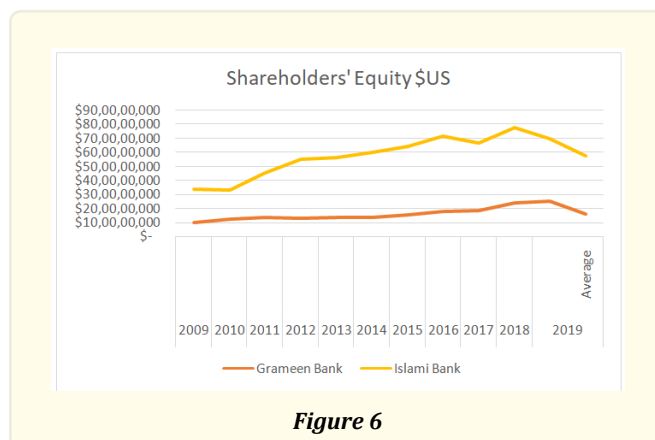


Figure 6

Year	Taxes	Zakat
2009	\$45,021,055	\$2,492,795
2010	\$56,927,952	\$3,136,818
2011	\$91,316,301	\$4,338,769
2012	\$92,438,280	\$4,534,666
2013	\$79,068,503	\$4,958,238
2014	\$84,642,006	\$5,494,457
2015	\$80,195,393	\$5,731,369
2016	\$86,771,153	\$7,216,382
2017	\$99,401,404	\$6,838,262
2018	\$106,611,260	\$8,409,875
2019	\$104,649,473	\$8,454,114
Total (2009-2019)	\$927,042,780	\$61,605,744
Average	\$84,276,616	\$5,600,523

Table 17: Zakat & Tax Expenses of Islami Bank Bangladesh Limited (IBBL).

Examining Contribution of Grameen Bank & Islami Bank Bangladesh Limited (IBBL) on Poverty Reduction in Bangladesh

Table 18 & 21 below indicate that based on the assumption that if \$1 increase in return of deposit to GDP leads 20% reduction in poverty gap in Bangladesh, Grameen bank appeared to have reduced (poverty gap) 0.008% during (2010-2018) compared to 0.028% by Islami Bank Bangladesh Limited (IBBL). Similarly, Table 18 & 21 also show that based on the assumption that if \$1 increase in return of deposit to GDP leads 15% reduction in poverty severity in Bangladesh, Grameen bank appeared to have reduced poverty severity 0.006% during (2010-2018) compared to 0.021% by Islami Bank Bangladesh Limited (IBBL).

Year	Return of Deposit @ current ex- change rate \$ Million	Increase/(decrease) \$ Million	GDP Mil- lion \$	Change in Return of Deposit to GDP	Poverty GapRe- duction (Based on 20%)	Poverty Sever- ity Reduction (Based on 15%)
2010	\$129.92		\$115279			
2011	\$ 125.12	-\$5	\$128638	.00004	-0.001%	-0.001%
2012	\$141.22	\$16	\$133356	0.00012	0.002%	0.002%
2013	\$160.36	\$19	\$149990	0.00013	0.003%	0.002%
2014	\$176.49	\$16	\$172885	0.00009	0.002%	0.001%
2015	\$188.45	\$12	\$195079	0.00006	0.001%	0.001%
2016	\$178.58	-\$10	\$221415	-0.00004	-0.001%	-0.001%
2017	\$186.64	\$8	\$249711	0.00003	0.001%	0.000%
2018	\$202.72	\$16	\$274039	0.00006	0.001%	0.001%
Cumulative (2010-2018)					0.008%	0.006%

Table 18: Contribution of Return on Deposit to Poverty Reduction – Grameen Bank.

As seen in Table 19, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty Gap Reduction) and independent variable (change in return of deposit to GDP) in Grameen Bank.

	Variable 1	Variable 2
Mean	5.15008E-05	1.03002E-05
Variance	4.28109E-09	1.71244E-10
Observations	8	8
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	7	
t Stat	2.226291068	
P(T<=t) one-tail	0.030652734	
t Critical one-tail	1.894578605	
P(T<=t) two-tail	0.061305467	
t Critical two-tail	2.364624252	

Table 19: t-Test: Paired Two Sample for Means Deposit return to GDP & Poverty gap Reduction - Grameen Bank.

As seen in Table 20, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty severity reduction) and independent variable (change in return of deposit to GDP in Grameen Bank).

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	5.15008E-05	7.72512E-06
Variance	4.28109E-09	9.63245E-11
Observations	8	8
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	7	
t Stat	2.226291068	
P(T<=t) one-tail	0.030652734	
t Critical one-tail	1.894578605	
P(T<=t) two-tail	0.061305467	
t Critical two-tail	2.364624252	

Table 20: t-Test: Paired Two Sample for Means Deposit return to GDP & Poverty Severity Reduction - Grameen Bank.

<i>Year</i>	<i>Return of Deposit @ current exchange rate \$ Million</i>	<i>Increase/(decrease) \$ Million</i>	<i>GDP Million \$</i>	<i>Change in Return of Deposit to GDP</i>	<i>Poverty Gap Reduction (Based on 20%)</i>	<i>Poverty Severity Reduction (Based on 15%)</i>
2010	\$204.0		\$115279			
2011	\$ 216.0	\$12	\$128638	0.0001	0.002%	0.001%
2012	\$304.0	\$88	\$133356	0.0007	0.013%	0.010%
2013	\$330.7	\$27	\$149990	0.0002	0.004%	0.003%
2014	\$359.92	\$29	\$172885	0.0002	0.003%	0.003%
2015	\$337.70	-\$22	\$195079	-0.0001	-0.002%	-0.002%
2016	\$345.10	\$07	\$221415	0.0000	0.001%	0.001%
2017	\$370.0	\$25	\$249711	0.0001	0.002%	0.001%
2018	\$446.90	\$77	\$274039	0.0003	0.006%	0.004%
Cumulative (2010-2018)					0.028%	0.021%

Table 21: Contribution of Return on Deposit to Poverty Reduction – Islami Bank Bangladesh Limited.

As seen in Table 22, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty gap reduction) and independent variable (change in return of deposit to GDP) in Islami Bank Bangladesh Limited.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	0.000175	3.50837E-05
Variance	5.18E-08	2.07242E-09
Observations	8	8
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	7	
t Stat	2.179772	
P(T<=t) one-tail	0.032831	
t Critical one-tail	1.894579	
P(T<=t) two-tail	0.065663	
t Critical two-tail	2.364624	

Table 22: t-Test: Paired Two Sample for Means Deposit return to GDP & poverty gap reduction - Islami Bank.

As seen in Table 23, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty severity reduction) and independent variable (change in return of deposit to GDP) in Islami Bank Bangladesh Limited.

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	0.000175418	2.63128E-05
Variance	5.18106E-08	1.16574E-09
Observations	8	8
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	7	
t Stat	2.179771677	
P(T<=t) one-tail	0.032831421	
t Critical one-tail	1.894578605	
P(T<=t) two-tail	0.065662843	
t Critical two-tail	2.364624252	

Table 23: t-Test: Paired Two Sample for Means Deposit return to GDP & poverty severity reduction - Islami Bank.

Table 24 & 27 below indicate that based on the assumption that if \$1 increase in salaries & payroll benefits to GDP leads 20% reduction in poverty gap in Bangladesh, Grameen bank appeared to have reduced (poverty gap) 0.008% during (2010-2019) compared to 0.0133% by Islami Bank Bangladesh Limited (IBBL). Similarly, Table 24 & 27 also show that based on the assumption that if \$1 increase in salaries & payroll benefits to GDP leads 15% reduction in poverty severity in Bangladesh, Grameen bank appeared to have reduced poverty severity 0.006% during (2010-2019) compared to 0.01000% by Islami Bank Bangladesh Limited (IBBL).

Year	Salries & payroll benefits @ current exchange rate \$ Million	Increase/ (decrease) \$ Million	GDP Mil-lion \$	Change in sal-aries & payroll benefits to GDP	Poverty Gap Re-duction (Based on 20%)	Poverty Sever-ity Reduction (Based on 15%)
2010	\$59.0		\$115279			
2011	\$ 59	\$0	\$128638	0.00000	0.000%	0.000%
2012	\$61.0	\$2	\$133356	0.00001	0.000%	0.000%
2013	\$66.1	\$5	\$149990	0.00003	0.001%	0.001%
2014	\$72.59	\$6.51	\$172885	0.00004	0.001%	0.001%
2015	\$89.1	\$16.5	\$195079	0.00008	0.002%	0.001%
2016	\$129.8	\$40.7	\$221415	0.00018	0.004%	0.003%
2017	\$137.2	\$7.5	\$249711	0.00003	0.001%	0.000%
2018	\$139.1	\$1.9	\$274039	0.00001	0.000%	0.000%
2019	\$143.0	\$3.9	\$302563	0.00001	0.000%	0.000%
Cumulative (2010-2019)					0.008%	0.006%

Table 24: Contribution of salaries & payroll benefits to Poverty Reduction – Grameen Bank.

As seen in Table 25, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty gap reduction) and independent variable (change in salary and payroll benefits to GDP in Grameen Bank).

	Variable 1	Variable 2
Mean	4.5E-05	9.00553E-06
Variance	3.32E-09	1.32995E-10
Observations	9	9
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	8	
t Stat	2.342675	
P(T<=t) one-tail	0.023609	
t Critical one-tail	1.859548	
P(T<=t) two-tail	0.047218	
t Critical two-tail	2.306004	

Table 25: t-Test: Paired Two Sample for Means Salary & Payroll benefits to GDP & Poverty Gap Reduction - Grameen Bank.

As seen in Table 26, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty severity reduction) and independent variable (change in salary and payroll benefits to GDP in Grameen Bank).

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	4.50277E-05	6.754E-06
Variance	3.32489E-09	7.481E-11
Observations	9	9
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	8	
t Stat	2.342675492	
P(T<=t) one-tail	0.023609033	
t Critical one-tail	1.859548038	
P(T<=t) two-tail	0.047218066	
t Critical two-tail	2.306004135	

Table 26: t-Test: Paired Two Sample for Means Salary Expense to GDP & Poverty Severity Reduction - Grameen Bank.

<i>Year</i>	<i>Salries & payroll benefits @ current exchange rate \$ Million</i>	<i>Increase/ (decrease) \$ Million</i>	<i>GDP Mil-lion \$</i>	<i>Change in salaries & payroll benefits to GDP</i>	<i>Poverty Gap Reduction (Based on 20%)</i>	<i>Poverty Severity Reduction (Based on 15%)</i>
2010	\$50.0		\$115279			
2011	\$ 55	\$5	\$128638	0.00003	0.0007%	0.00050%
2012	\$70.0	\$15	\$133356	0.00012	0.0023%	0.00174%
2013	\$88.9	\$19	\$149990	0.00012	0.0025%	0.00187%
2014	\$96.44	\$8	\$172885	0.00004	0.0009%	0.00066%
2015	\$104.5	\$8	\$195079	0.00004	0.0008%	0.00062%
2016	\$150.7	\$46	\$221415	0.00021	0.0042%	0.00313%
2017	\$159.9	\$9	\$249711	0.00004	0.0007%	0.00055%
2018	\$166.7	\$7	\$274039	0.00002	0.0005%	0.00037%
2019	\$177.9	\$11	\$302563	0.00004	0.007%	0.00056%
Cumulative (2010-2019)					0.0133%	0.01000%

Table 27: Contribution of salaries & payroll benefits to Poverty Reduction – Islami Bank Bangladesh Limited.

As seen in Table 28, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty gap reduction) and independent variable (change in salary and payroll benefits to GDP Islami Bank Limited).

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	7.41E-05	1.48106E-05
Variance	3.92E-09	1.56642E-10
Observations	9	9
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	8	
t Stat	3.550101	
P(T<=t) one-tail	0.003754	
t Critical one-tail	1.859548	
P(T<=t) two-tail	0.007508	
t Critical two-tail	2.306004	

Table 28: t-Test: Paired Two Sample for Means Salary Expenses to GDP & Poverty gap Reduction - Islami Bank.

As seen in Table 29, the p-value in t-test shows a statistically significant difference and a linear (direct) relationship between dependent variable (Poverty severity reduction) and independent variable (change in salary and payroll benefits to GDP in Islami Bank Bangladesh Limited).

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	7.40531E-05	1.111E-05
Variance	3.91604E-09	8.811E-11
Observations	9	9
Pearson Correlation	1	
Hypothesized Mean Difference	0	
df	8	
t Stat	3.550100665	
P(T<=t) one-tail	0.003754168	
t Critical one-tail	1.859548038	
P(T<=t) two-tail	0.007508337	
t Critical two-tail	2.306004135	

Table 29: t-Test: Paired Two Sample for Means Salary Expenses to GDP & Poverty severity Reduction - Islami Bank.

Table 30 & 31 below indicate that based on the assumption that if \$1 increase in dividends paid to GDP leads 20% reduction in poverty gap in Bangladesh, Grameen bank appeared to have reduced (poverty gap) 0.00016% during (2010-2019) compared to 0.0015% by Islami Bank Bangladesh Limited (IBBL). Similarly, Table 30 & 31 also show that based on the assumption that if \$1 increase in dividends paid to GDP leads 15% reduction in poverty severity in Bangladesh, Grameen bank appeared to have reduced poverty severity 0.00012% during (2010-2019) compared to 0.0012% by Islami Bank Bangladesh Limited (IBBL).

Year	Dividends paid @ current exchange rate \$ Million	Increase/ (decrease) \$ Million	GDP Mil-lion \$	Change Div- idends paid to GDP	Poverty Gap Re- duction (Based on 20%)	Poverty Severity Reduction (Based on 15%)
2010	\$2		\$115279			
2011	\$ 2.1	\$0.09	\$128638	0.000001	0.00001%	0.000011%
2012	\$2.2	\$0.09	\$133356	0.000001	0.00001%	0.000010%
2013	\$2.3	\$0.10	\$149990	0.000001	0.00001%	0.000010%
2014	\$2.8	\$0.48	\$172885	0.000003	0.00006%	0.000042%
2015	\$3.1	\$0.33	\$195079	0.000002	0.00003%	0.000025%
2016	\$3.3	\$0.16	\$221415	0.000001	0.00001%	0.000011%
2017	\$3.4	\$0.07	\$249711	0.000000	0.00001%	0.000004%
2018	\$3.4	\$0.03	\$274039	0.000000	0.00000%	0.000002%
2019	\$3.5	\$0.14	\$302563	0.000000	0.00001%	0.000007%
Cumulative (2010-2019)					0.00016%	0.00012%

Table 30: Contribution of Dividends to Poverty Reduction – Grameen Bank.

Year	Dividends paid @ current exchange rate \$ Million	Increase/ (decrease) \$ Million	GDP Mil-lion \$	Change Div- idends paid to GDP	Poverty Gap Re- duction (Based on 20%)	Poverty Severity Reduction (Based on 15%)
2010	\$8		\$115279			
2011	\$ 0	-\$8	\$128638	0.000061	-0.0012%	-0.0009%
2012	\$8	\$8	\$133356	0.000062	0.0012%	0.0009%
2013	\$11.8	\$4	\$149990	0.000024	0.0005%	0.0004%
2014	\$13.77	\$2	\$172885	0.000012	0.0002%	0.0002%
2015	\$28.2	\$14	\$195079	0.000074	0.0015%	0.0011%
2016	\$37.9	\$10	\$221415	0.000043	0.0009%	0.0007%
2017	\$18.9	-19	\$249711	0.000076	-0.0015%	-0.0011%
2018	\$18.9	\$0.0	\$274039	0.000000	0.0000%	0.0000%
2019	\$18.9	\$0.0	\$302563	0.000000	0.0000%	0.0000%
Cumulative (2010-2019)					0.0015%	0.0012%

Table 31: Contribution of Dividends paid to Poverty Reduction – Islami Bank.

Table 32 below summarizes comparative contribution of Grameen Bank & Islamic Bank towards poverty reduction in Bangladesh from 2010-2019. The study assumes that return on deposit, salary and benefits of the employees and dividends played significant roles. In the cases of Grameen bank, dividends are enjoyed overwhelmingly by its member shareholders while majority of the Islami Bank shareholders are not the members of Rural development scheme of Islami Bank. The table suggests that during the period 2010-2019 Islami Bank contributed 176% more in reducing poverty gap and 161% more in poverty severity reduction than Grameen Bank. However, when the dividends paid to shareholders of Islami Bank are excluded and dividends paid to the member's shareholders of Grameen Bank included in the count, Islami Bank's share to poverty gap reduction reaches to 166% higher than Grameen Bank. Similarly in respect of poverty severity reduction the larger performance of Islami Bank narrows to 151% instead of 161%.

<i>Classification</i>	<i>Cumulative % Poverty Level Reduction(2010-2019)</i>	<i>Cumulative % Poverty Severity Reduction (2010-2019)</i>	<i>Higher Contribution in poverty gap reduction than the peer</i>	<i>Higher Contribution in poverty severity reduction than the peer</i>
From Deposit Return				
Grameen Bank	0.008%	0.006%		
Islami Bank	0.03%	0.02%	275%	239%
From salary & payroll benefits				
Grameen Bank	0.008%	0.006%		
Islami Bank	0.013%	0.01%	63%	67%
From Dividends paid				
Grameen Bank	0.0002%	0.0001%		
Islami Bank	0.002%	0.001%		
Total				
Grameen Bank	0.02%	0.01%		
Islami Bank	0.04%	0.03%	176%	161%

Table 32: Summary - Contribution of Grameen Bank & Islami Bank of Bangladesh Limited towards Poverty Reduction in Bangladesh - 2010-2019.

Limitations

The study is conducted primarily based on the secondary data. Future researchers are welcome to make multiple sample surveys especially in rural Bangladesh in order to reflect how effectively both the organizations are working under the normal dictates of market mechanism rather than under any interventions.

Major Findings

Although IBBL is over four times larger than Grameen Bank, the most recent financial statements indicate that Grameen Bank is using its investible assets more effectively than Islami Bank. On the other hand, Islami Bank's share in reducing poverty gap and poverty severity in Bangladesh was significantly higher than Grameen Bank as appears in the Table 32 above.

Conclusion

Through the discovery of collateral free microfinancing, Grameen Bank incredibly demonstrated its worldwide superiority. This perception reveals that it is more Islamic than Islamic bank (when Islamic faith encourages for an equitable just society) while Islamic Bank Bangladesh Limited demonstrated its efficacy that Islamic bank is not less Grameen (rural) than Grameen bank. Once RDS will be able to expand and be more competitive to Grameen Bank, it is expected that Shariah based IBBL model will be able to show a more tested and a distinct path of social business. The noble mission that these two institutions have undertaken will provide a useful & effective modus operandi in creating a new economic order as well. A world battered constantly by Corona virus needs their presence of social business more urgently in today's socio-economic landscape than any time human civilization experienced ever.

References

1. Verses – 2-275 Surah Al-Baqarah – The Noble Quran Audited Annual Financial Statements – IBBL (2009-2019).
2. Social enterprise: statistics from around the world.
3. Kamrunnaher Munni. "Poverty Alleviation Scheme of IBBL through RDS in Relation with Brac: A Comprehensive Analysis". International Journal of Ethics in Social Sciences 4.2 (2016).

4. https://cspcs.sanford.duke.edu/sites/default/files/descriptive/grameen_bank.pdf
5. Islami Bank Bangladesh Limited.
6. Annual Report – Grameen Bank (2009-2019).
7. Audited Annual Financial Statements – Grameen Bank (2009-2019).
8. Jaba Chakraborty. “Financial Performance Analysis of Islamic Banks in Bangladesh: A Case Study on Islami Bangladesh Limited (IBBL)”. *International Journal of Economics, Finance & Management Sciences* 3.2 (2015): 99-106.
9. Mohammad Kamal Hossain, Md Abdus Salam and Tarun Sen. Measurement of Financial Performance of a Commercial Bank from Varied Perspectives: A Case Study of Islami Bank Bangladesh Limited (2019).
10. Sk Alamgir Hossain, Md Shahed Mahmud and KM Anwarul Islam. Evaluation of Financial Performance of Commercial Banks in Bangladesh: Comparative Study Based on CAMEL Approach (2017).
11. Md Monirul Islam and MD Roknujjaman. “A Comparative Operating Performance Analysis of Islamic Bank Bangladesh Limited and Dutch-Bangla Bank Limited Using Hypothesis Test”. *International Journal of Innovative Science and Research Technology* 3.9 (2018).
12. Md Sanowar Hossain. “Analysis of Financial Performance of Islamic Banking in Bangladesh: A Study on Islami Bank Bangladesh Limited (IBBL)”. *International Journal of Ethics in Social Sciences* 5.1 (2017).
13. Hamid Abdul. A paper at the international conference on Islamic Economics in the 21st century (held) in Malaysia from 09 to 12 August 1999) entitled Islamic Banking in Bangladesh Ltd: Expectation and realities (1999).
14. Akkas. (1996) *International Journal of Ethics in Social Sciences* 5.1 (2017).
15. Ana Maria Moreno. Grameen Microfinance: An Evaluation of the Successes and Limitations of the Grameen Bank -University of Pennsylvania Scholarly Commons Honors Theses Philosophy, Politics and Economic (2010).

Volume 2 Issue 6 June 2022

© All rights are reserved by Hafizur Rahman., et al.