
Corporate Social Responsibility in Islamic Banks of Bangladesh: A Trend Analysis

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Abstract

Objective: The study aims to explore the sector-wise contributions to Corporate Social Responsibility activities by full-fledged Islamic banks of Bangladesh and Evaluate the consistency and effectiveness of CSR practices across different Islamic banks. **Theoretical framework:** The theoretical framework for this study is grounded in Stakeholder Theory and Islamic Ethical Principles, emphasizing the obligation of Islamic banks to uphold social justice, transparency, and community welfare. It explores how Shariah-compliant institutions integrate CSR into operations, guided by both religious values and stakeholder expectations and analyzes emerging trends in their CSR practices in Bangladesh. **Literature review:** The literature review includes data and publications central bank (Bangladesh Bank), academic papers, reports from Islamic banks, articles, and previous research studies, reputable news outlets, financial reports, and different publications from both government and non-governmental organizations involved in CSR initiatives of Bangladesh. **Methods:** This study utilizes CSR expenditure data from full-fledged Islamic banks, covering the period from (July to December) 2018 to 2022, sourced primarily from Bangladesh Bank publications. Tables, graphs, and charts will be employed to visually represent the data and support the interpretation of the findings. **Results:** The analysis reveals a steady increase in CSR expenditures and a growing emphasis on key sectors such as disaster management, healthcare education, etc. From 65.69 Crore BDT in 2018 (July- December) to 255.07 Crore BDT in 2022 (July- December), representing more than a quadrupling of the initial amount. **Implications:** These findings provide important implications for stakeholders. The trend analysis of CSR practices in Islamic banks in Bangladesh indicates a steady yet encouraging development in their social responsibility efforts. While many banks are actively contributing to areas like charity, healthcare, and education, a truly comprehensive approach that reflects Islamic ethical principles and a focus on long-term sustainability is still missing. **Novelty:** The novelty of this study lies in its cross-biannual comparative approach and specific focus on the expenditure of full-fledged Islamic banks in corporate social responsibility, which has not been systematically studied in the context of Bangladesh.

Keywords: corporate social responsibility, islamic banking, trend analysis, disaster management, maqashid sharia.

INTRODUCTION

Corporate Social Responsibility (CSR) has become a key concern for financial institutions around the world, as stakeholders increasingly expect businesses to contribute positively to society and the environment, beyond the sole pursuit of profit. In the case of Islamic banks, CSR holds even greater significance, as it is deeply embedded in the ethical and socio-economic teachings of Islam. These institutions are guided by principles such as justice, equity, transparency, and community welfare, making CSR not merely a corporate obligation but also a religious and moral responsibility [1], [2].

In Bangladesh, where the majority of the population is Muslim, Islamic banking has experienced rapid growth over the past few decades. Islamic banks have become influential players in the country's financial sector, offering Shariah-compliant services that address both the religious and financial needs of their clients [3]. As Islamic banks continue to expand their presence and influence within the financial sector, it becomes increasingly important to critically assess the extent to which they are fulfilling their social responsibilities. This includes examining how well their practices align with both the ethical principles of Islam and the broader expectations of society in terms of contributing to social welfare, economic justice, and sustainable development [4], [5].

Corporate Social Responsibility (CSR) has emerged as a fundamental aspect of ethical business conduct, particularly in the financial sector, where stakeholder trust and social legitimacy are paramount. Within the framework of Islamic banking, CSR takes on added significance, as it is inherently linked to the values of Shariah, which emphasize justice (*adl*), social welfare (*maslahah*), and the prohibition of harm (*la darar wa la dirar*) [6]. In Bangladesh, where Islamic banking is experiencing steady growth and widespread acceptance, understanding the trends and patterns of CSR practices offers critical insights into the role of Islamic financial institutions in promoting inclusive development and ethical governance [7], [8].

Theoretical Framework. This research is grounded in stakeholder theory, which posits that corporations have responsibilities not only to shareholders but also to a wide range of stakeholders including customers, employees, communities, and the environment. This is closely aligned with Islamic ethical teachings, which advocate for a holistic approach to economic activity that serves both material and spiritual needs [9]. Additionally, the study draws on *Maqashid Sharia* (objectives of Islamic law) as a theoretical lens to evaluate the alignment of CSR activities with the higher objectives of Islam, such as the preservation of faith (*din*), life (*nafs*), intellect (*aql*), progeny (*nasl*), and wealth (*mal*). By integrating these perspectives, this study provides a comprehensive analytical framework for assessing CSR trends in Islamic banks [10], [11].

Significance of the Study. The significance of this study lies in its focus on Bangladesh, a country with one of the fastest-growing Islamic banking sectors in South Asia. Despite this growth, there remains a lack of systematic evaluation of how Islamic banks in Bangladesh implement CSR in alignment with both global CSR norms and Islamic principles [12]. This research addresses that gap by providing a trend analysis that highlights patterns, developments, and potential deviations over time. It will also help Islamic banks, regulators, and policymakers in Bangladesh to benchmark their CSR practices, ensuring they contribute meaningfully to socio-economic justice and sustainable development [13], [14].

Research Novelty. The novelty of this research lies in its methodological approach and thematic focus. Unlike previous studies that primarily examine CSR in static or descriptive terms, this research adopts a dynamic trend analysis model, examining CSR practices over a defined period to identify progression, consistency, or regression [15]. Moreover, the integration of Islamic jurisprudential concepts such as *Maqashid Sharia* and stakeholder theory within a Bangladeshi context is a unique contribution to the literature. This dual-lens approach not only bridges Western and Islamic ethical paradigms but also enriches the discourse on CSR in emerging Islamic finance markets [16], [17].

Implications of the Research. The findings of this study have broad implications for theory, practice, and policy. Theoretically, it contributes to the growing body of literature on Islamic business ethics and CSR by providing empirical evidence from a developing country context. Practically, the results can inform strategic CSR planning in Islamic banks, ensuring their activities align with both ethical obligations and stakeholder expectations. From a policy perspective, the study can support the formulation of CSR guidelines and regulatory frameworks that are both Shariah-compliant and development-oriented. Furthermore, it encourages Islamic banks to view CSR not merely as a charitable obligation but as an integral component of their identity and long-term sustainability [18].

LITERATURE REVIEW

Corporate Social Responsibility (CSR) forms an integral part of the operational framework in Islamic banking, rooted in Shariah principles that advocate for social justice, ethical conduct, and the welfare of the community. In Bangladesh, where Islamic banking has expanded considerably, CSR activities have become more organized and are gaining increased academic interest [19].

Ahmad and Rahman emphasized the fundamental influence of Islamic principles in guiding CSR practices within Islamic banks. Analyzing the activities of seven Islamic banks between 2007 and 2010, their study showed a consistent rise in CSR spending and a strengthening alignment between CSR efforts and Shariah values. They also observed that CSR contributes positively to enhancing the reputation of banks and building trust among stakeholders [20].

Masud et al. conducted a comparative analysis of how CSR is perceived in Islamic versus conventional banks. The results indicated that senior management in Islamic banks exhibited a higher level of dedication to CSR, influenced by religious beliefs as well as institutional goals. The study highlighted the need to embed CSR within key managerial processes to improve overall social impact [21].

Islam and Rahman compared CSR practices between Islamic and conventional banks in Bangladesh. Their research showed that Islamic banks are generally more proactive in CSR due to their religious mandates. However, the study also pointed out the need for more strategic and long-term CSR planning to ensure sustainable social impact [22].

Alam et al. explored the influence of Shariah Supervisory Boards on CSR adoption in Islamic banks. Their study found that the presence of effective Shariah Supervisory Boards significantly contributes to the integration of ethical standards in CSR initiatives [23].

Hanif and Haron conducted a comprehensive literature review on corporate governance and CSR in Islamic banking. They stressed the importance of well-established governance systems for the effective execution of CSR activities, arguing that a solid corporate governance framework is crucial for the seamless incorporation of CSR into Islamic banking practices [24].

Bangladesh Bank provides insights into the performance and stability of the Islamic banking sector in its Financial Stability Report [25].

Growth Trends: Islamic banks experienced a slowdown in growth across several key indicators in 2023. Aggregate investments grew by 8.3%, shareholders' equity by 5.8%, and total assets by 8.4%, all of which were lower compared to the previous year.

Market Share: The market share of Islamic banks in terms of total investments, deposits, and assets saw a slight decline. For instance, the share of total investments decreased from 26.3% in 2022 to 25.9% in 2023.

Capital Adequacy: Most Islamic banks maintained the required Capital capital-to-risk-weighted Assets Ratio (CRAR), with 9 out of 10 banks meeting the minimum requirements. The aggregate CRAR remained stable at 12.7%.

Asset Quality: The Gross Non-Performing Loan (GNPL) ratio for Islamic banks stood at 4.8% in 2023, indicating a slight improvement in asset quality compared to the previous year.

Liquidity Position: The Liquidity Coverage Ratio (LCR) for Islamic banks declined to 66.1% in 2023, falling below the regulatory requirement of 100%. However, the Net Stable Funding Ratio (NSFR) was maintained above the required threshold at 104.3%.

While these financial indicators do not directly measure CSR activities, they reflect the overall stability and operational efficiency of Islamic banks, which are essential for sustaining CSR initiatives.

Islam (2023) examined the CSR activities of Islami Bank Bangladesh Limited (IBBL), the nation's leading Islamic bank. The research found that IBBL had a broad range of CSR initiatives, with a strong emphasis on education and healthcare. It also highlighted CSR as a significant factor in strengthening the bank's public image and fostering trust within the community [26].

METHODOLOGY

A systematic review of the literature was conducted to explore Corporate Social Responsibility (CSR) in Islamic Banks. Secondary data will be gathered from a variety of sources, such as the central bank (Bangladesh Bank), academic papers, reports from Islamic banks, articles, and previous research studies, reputable news outlets, financial reports, and different publications from both government and non-governmental organizations involved in CSR initiatives. Besides it utilizes CSR expenditure data from full-fledged Islamic banks, covering the period from (July to December) 2018 to 2022, sourced primarily from Bangladesh Bank publications [27], [28].

The collected data will be analyzed to identify trends, performance, and relationships between CSR activities and expenditures provided by Islamic banks. Tables, graphs, and charts will be employed to visually represent the data and support the interpretation of the findings. These visual tools will help in simplifying complex datasets, allowing for better comparison and evaluation of the performance of Islamic banks in the corporate social responsibility sector [29], [30].

RESULTS AND DISCUSSION

In this paper, July to December of three base years (2018, 2020, and 2022) have been taken to do the numeric research work so that we can conclude to fulfill the objectives of the study.

Categories of Corporate Social Responsibility

Bangladesh Bank issued a policy guideline titled *Indicative Guidelines for CSR Expenditure Allocation and End Use Oversight* (GBCSRDC Circular No. 07) to monitor the budgeting and end-use of CSR activities in the financial sector. The policy outlines specific instructions regarding the administrative framework, budget allocation, expected scope, and monitoring of CSR expenditures and their final usage. According to the guideline, scheduled banks and financial institutions may spend a portion of their post-tax net profit on CSR activities. Of this CSR expenditure, approximately 30% should be allocated to the education sector and 20% to the health sector [31].

Furthermore, Bangladesh Bank recommended an additional circular (GBCSRDC Circular No. 04, dated July 09, 2015) that 10% of CSR spending be directed toward the Climate Risk Fund (Bangladesh Bank, 2015) [32].

It is important to note that implementing CSR activities is not mandatory for any bank or financial institution; rather, it is considered a voluntary initiative. As a result, spending in the aforementioned sectors up to the prescribed limits is not obligatory.

Subsequently, through GBCSRDC Circular Letter No. 06/2015, Bangladesh Bank identified 08 specific sectors under the category of *Social Projects/Community Investment* and instructed banks and financial institutions to report their CSR spending under these designated sectors [33].

Table 1. 08 (Eight) Categories of CSR

08 (Eight) Categories of CSR
Education
Health
Environment & Climate
Income-generating activities for the underprivileged population
Disaster Management
Infrastructure Development
Cultural Welfare
Others

CSR by Category and Islamic Banks in 2022

Bangladesh Bank's CSR report states that between July and December, the total CSR expenditure by all banks in Bangladesh amounted to BDT 513.76 crore, of which Islamic Shariah-based banks contributed BDT 255.07 crore. This means Islamic banks accounted for approximately 49.65% of the total CSR spending, highlighting their substantial role in supporting the country's overall CSR initiatives [34].

From July to December, total CSR spending by all banks in Bangladesh on disaster management reached BDT 353.02 crore, with Islamic Shariah-based banks contributing BDT 199.37 crore. This represents around 56.48% of the total expenditure in this sector, underscoring the significant role Islamic banks play in aiding those affected by natural disasters.

From July to December, total CSR spending by all banks in Bangladesh on the health sector reached BDT 63.98 crore, with Islamic Shariah-based banks contributing BDT 20.92 crore. This represents around 32.70% of the total expenditure in this sector. In the healthcare sector, CSR efforts by banks primarily focused on providing medical assistance to underprivileged, helpless, disadvantaged, and differently-abled individuals.

This included organizing free medical camps and clinical services, distributing free medicines and healthcare supplies, and offering direct financial support for the treatment of people suffering from severe or complex illnesses [35], [36].

Additionally, banks provided CSR grants for the construction of hospitals or clinics, operational expenses of hospitals, clinics, and diagnostic centres, as well as for the procurement of medical equipment.

Table 2. Corporate Social Responsibility in July- December 2022.

Source: Bangladesh Bank, 2022 (BDT in Crore)

Corporate Social Responsibility in July- December, 2022									
Name of Islamic Banks	Education	Health	Enviro & Climate	Income Generating Activities	Disaster Management	Infrastructure Development	Culture	Others	Total
Islami Bank Bangladesh Ltd	0.04	0.03	0.02	0	125.08	0	0	0	125.17
ICB Islamic Bank Ltd	0	0.022	0	0	0	0	0	0	0.022
Al-Arafah Islami Bank Ltd	3.55	2.91	0.08	0	1.37	0	1	0	8.91
Social Islami Bank Ltd	3.85	3.34	0	0.01	11	0	0.1	2.53	20.83
Standard Bank Ltd	0.01	0.01	0	0	2.5	0	0	0.04	2.56
EXIM Bank Ltd	2.44	1.41	0.01		30.46		0.3	0.14	34.76
First Security Islami Bank Ltd	8.25	9.45	5.55	0.29		0.3	0.2		24.04
Shahjalal Islami Bank Ltd	1.59	3.71	3.1	0	3.91	0	0.01	0.47	12.79
Union Bank Ltd	0.09	0.02	0	0	12.3	0.03	0.15	0.03	12.62
Global Islami Bank Ltd	0.07	0.02	0	0	12.75	0	0.5	0.03	13.37
Total	19.89	20.922	8.76	0.30	199.37	0.33	2.26	3.24	255.072

In this half-yearly period, the education sector received the third highest CSR expenditure by banks amounting to BDT 63.53 crore, with Islamic Shariah-based banks contributing BDT 19.89 crore. A review of the spending in this sector shows that banks primarily allocated funds for providing scholarships to students at various educational levels [37]. CSR funds were also used to supply educational materials and to support the development of educational infrastructure.

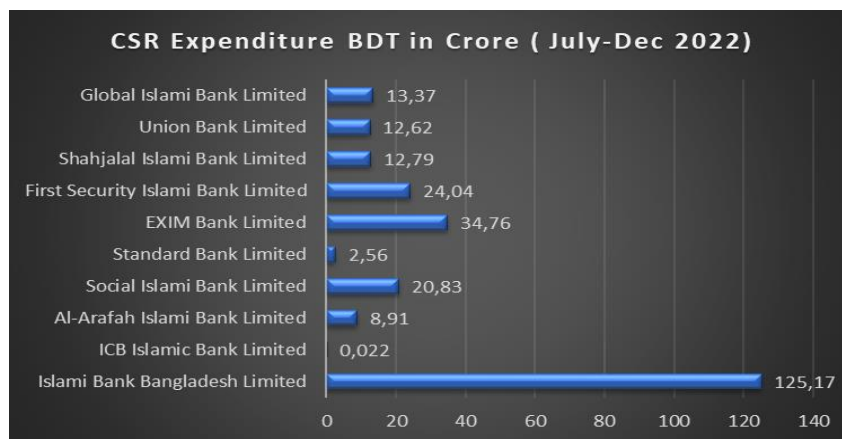


Figure 1. CSR Disbursement by Islamic Banks during July-December 2022

The bar chart titled “CSR Expenditure BDT in Crore (July-Dec 2022)” illustrates the Corporate Social Responsibility spending of various Islamic banks in Bangladesh from July to December of the year 2022. The expenditures are presented in crores of Bangladeshi Taka (BDT).

Islami Bank Bangladesh Limited had by far the highest CSR expenditure, amounting to BDT 125.17 crore, which is significantly more than any other Islamic bank on the list.

EXIM Bank Limited and First Security Islami Bank Limited followed with BDT 34.76 crore and BDT 24.04 crore, respectively.

Social Islami Bank Limited spent BDT 20.83 crore, while Shahjalal Islami Bank Limited, Union Bank Limited, and Global Islami Bank Limited had relatively similar expenditures, ranging between BDT 12.62 crore and BDT 13.37 crore.

Al-Arafah Islami Bank Limited and Standard Bank Limited reported lower CSR spending, at BDT 8.91 crore and BDT 2.56 crore, respectively.

The lowest CSR expenditure was recorded by ICB Islamic Bank Limited, with only BDT 0.022 crore.

The graph clearly shows a wide disparity in CSR spending among Islamic banks in 2022. Islami Bank Bangladesh Limited is the most dominant contributor, reflecting its large operational scale and strong commitment to CSR. Other banks show varied levels of involvement, possibly based on their size, profitability, and CSR strategies [38].

Table 3. Sector-wise Compliance by SFD Circular No. 01/2022.

Source: Bangladesh Bank 2022

30% CSR Contribution to the Education Sector	30% CSR Contribution to the Health Sector	20% CSR Contribution to Environment & Climate
<ul style="list-style-type: none"> ▪ First Security Islami Bank Ltd 	<ul style="list-style-type: none"> ▪ First Security Islami Bank Ltd ▪ ICB Islamic Bank Ltd ▪ Shahjalal Islami Bank Ltd 	<ul style="list-style-type: none"> ▪ First Security Islami Bank Ltd

From the table above, we can conclude that First Security Islami Bank Limited has complied in the Education, Health, and Environment & Climate sectors collectively."

CSR by Category and Islamic Banks in 2020

Bangladesh Bank's CSR report states that between July and December, the total CSR expenditure by all banks in Bangladesh amounted to BDT 450.58 crore, of which Islamic Shariah-based banks contributed BDT 147.44 crore. This means Islamic banks accounted for approximately 32.72% of the total CSR spending [39].

From July to December 2020 total CSR spending by all banks in Bangladesh on disaster management reached BDT 267.47 crore, with Islamic Shariah-based banks contributing BDT 83.05 crore. Under disaster management, expenditures are primarily made on the distribution of blankets to the cold-affected and impoverished population, relief supplies to flood victims, and food and relief items to those rendered jobless or affected due to COVID-19. A significant portion of these expenditures has been donated to the Prime Minister's Relief Fund [40], [41]. Additionally, banks have distributed blankets to the cold-affected and assisted the distressed population during COVID-19 through various branch offices, NGOs, and government agencies.

In this period of 2020, total CSR spending by all banks in Bangladesh on the health sector reached BDT 78.75 crore, with Islamic Shariah-based banks contributing BDT 21.94 crore.

This represents around 27.86% of the total expenditure in this sector. To combat the COVID-19 situation across the country, banks have spent their CSR funds in various sectors including the provision of treatment for COVID-19 patients, supplying masks, sanitizers, and PPE to doctors and healthcare professionals, purchasing ambulances for rapid transportation of infected patients, procuring medical equipment (such as respiratory devices and testing kits) for COVID units in hospitals, constructing hospitals/clinics, and offering financial assistance for medical treatment to poor and underprivileged individuals [42], [43].

Table 4. Corporate Social Responsibility in July- December 2020

Source: Bangladesh Bank, 2020 (BDT in Crore)

Corporate Social Responsibility in July- December 2020									
Name of Islamic Banks	Education	Health	Dis. Mgt	Environ.	Culture	Infra. Dev.	Income Gen. Activ.	Others	Total
Islami Bank Bangladesh Limited	13.64	1.11	18.86	0	0.15	0	0	0.01	33.77
ICB Islamic Bank Limited	0	0	0	0	0	0	0	0	0
Al-Arafah Islami Bank Limited	0.56	1.63	0.85	0.6	0.61	0	0	3.94	8.19
Social Islami Bank Limited	5.07	0.12	10	0.64	0	0	0		15.83
EXIM Bank Limited	2.09	9.65	38.14	0	0	0	0	5.14	55.02
First Security Islami Bank Limited	0.35	7.07	8.72	0.1	0.24	2	0	0	18.48
Shahjalal Islami Bank Limited	2.6	0.64	5.56	0.45	0	0	0	4.24	13.49
Union Bank Limited	0	1.7	0.25	0	0	0	0		1.95
Global Islami Bank Limited	0	0.02	0.67	0	0.02	0	0	0	0.71
Total	24.31	21.94	83.05	1.79	1.02	2	0	13.33	147.44

In this half-yearly period, the education sector received CSR expenditure by banks amounting to BDT 43.94 crore, with Islamic Shariah-based banks contributing BDT 24.31 crore. An analysis of expenditures in the education sector reveals that banks have primarily utilized CSR funds to provide scholarships to students at the lower secondary, secondary, higher secondary, undergraduate, and postgraduate levels. CSR funds were also used to supply educational materials and to support the development of educational infrastructure.

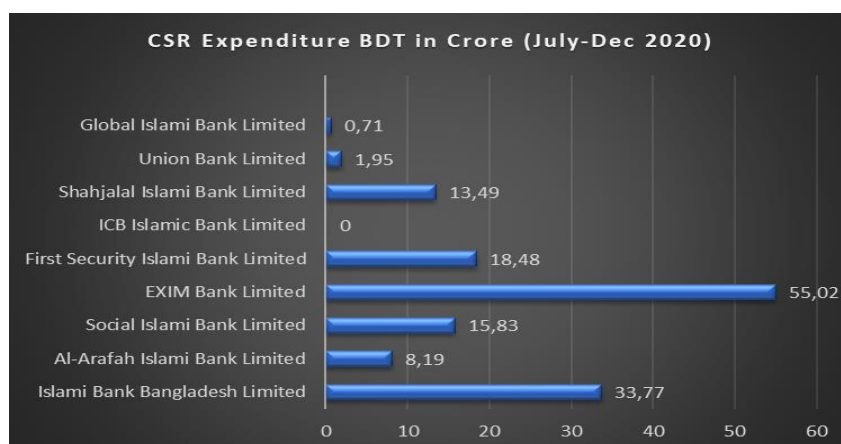


Figure 2. CSR Disbursement by Islamic Banks during July-December 2020

The bar chart titled "CSR Expenditure BDT in Crore (July-Dec 2020)" presents the Corporate Social Responsibility spending by various Islamic banks in Bangladesh for the period of July to December 2020. The figures are expressed in crores of Bangladeshi Taka (BDT).

EXIM Bank Limited reported the highest CSR expenditure in this period, with BDT 55.02 crore, leading all Islamic banks in CSR contributions for that year.

Islami Bank Bangladesh Limited followed, spending BDT 33.77 crore, making it the second-highest contributor.

First Security Islami Bank Limited and Social Islami Bank Limited had moderate CSR expenditures of BDT 18.48 crore and BDT 15.83 crore, respectively.

Shahjalal Islami Bank Limited spent BDT 13.49 crore, while Al-Arafah Islami Bank Limited contributed BDT 8.19 crore.

Union Bank Limited and Global Islami Bank Limited reported lower expenditures, with BDT 1.95 crore and BDT 0.71 crore, respectively.

ICB Islamic Bank Limited reported zero CSR expenditure.

The chart highlights a significant variation in CSR spending among Islamic banks in 2020. EXIM Bank and Islami Bank Bangladesh Limited were the top contributors, indicating a strong CSR commitment [44]. In contrast, some banks had minimal or no CSR activity, reflecting possible constraints or differing CSR strategies.

CSR by Category and Islamic Banks in 2018

Bangladesh Bank's CSR report states that between July and December, the total CSR expenditure by all banks in Bangladesh amounted to BDT 277.50 crore, of which Islamic Shariah-based banks contributed BDT 65.69 crore [45].

Table 5. Corporate Social Responsibility in July- December 2018.

Source: Bangladesh Bank, 2018 (BDT in Crore)

Corporate Social Responsibility in July- December 2018									
Name of Islamic Banks	Education	Health	Dis. Mgt.	Envir.	Culture	Infra. Dev.	Income Gen. Act.	Others	Total
Islami Bank Bangladesh Limited	4.91	1.62	0	0	0	0	0	0.01	6.54
ICB Islamic Bank Limited	0	0	0	0	0	0	0	0	0
Al-Arafah Islami Bank Limited	0.83	1.18	0	0.16	0.59	0	0	0.84	3.6
Social Islami Bank Limited	0.2	0.15	0	0.62	2.04			3.01	6.02
EXIM Bank Limited	3.23	4.46	19.44	0	0.3	0	0	0.36	27.79
First Security Islami Bank Limited	0.9	0.22	8.59	0.25	2.96	0	0	0	12.92
Shahjalal Islami Bank Limited	0.99	0	0.3	0	0	0	3.77		5.06
Union Bank Limited	0.61	0.05	2.24	0	0.02	0	0	0.84	3.76
Total	11.67	7.68	30.57	1.03	5.91	0	3.77	5.06	65.69

From July to December 2018 total CSR spending by all banks in Bangladesh on disaster management reached BDT 84.03 crore, with Islamic Shariah-based banks contributing BDT

30.57 crore. In this half-yearly period, the education sector received CSR expenditure by banks amounting to BDT 107.85 crore, with Islamic Shariah-based banks contributing BDT 11.67 crore. CSR spending by all banks in Bangladesh on the health sector reached BDT 30.15 crore during this period, with Islamic Shariah-based banks contributing BDT 7.68 crore.

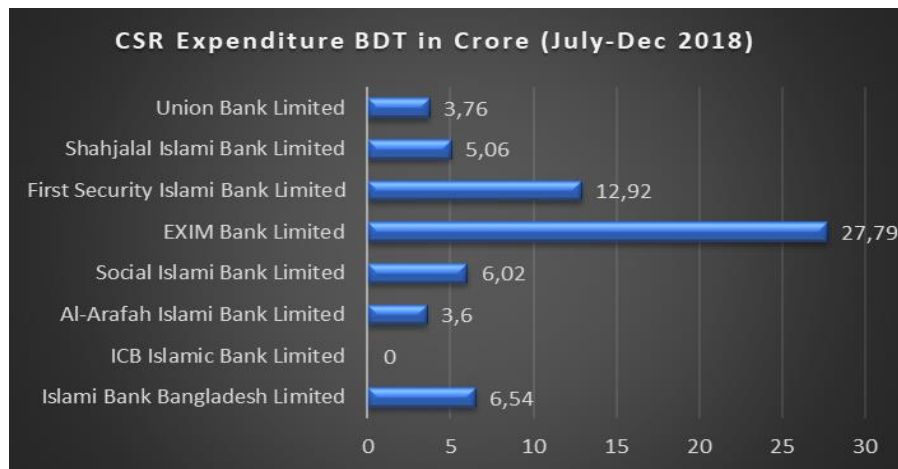


Figure 3: CSR Disbursement by Islamic Banks during July-December 2018

The provided data appears to be a list of banks in Bangladesh along with their Corporate Social Responsibility (CSR) expenditures for the year 2020, measured in Bangladeshi Taka (BDT) in crore (10 million).

EXIM Bank Limited has the highest CSR expenditure at BDT 27.79 crore and First Security Islami Bank Limited has the second highest CSR expenditure at BDT 12.92 crore.

Social Islami Bank Limited (BDT 6.02 crore) and Shahjalal Islami Bank Limited (BDT 5.06 crore) fall in the mid-range.

Union Bank Limited spent BDT 3.76 crore, while Al-Arafah Islami Bank Limited contributed BDT 3.60 crore.

ICB Islamic Bank Limited reported zero CSR expenditure in 2020.

Trend Evaluation on Three Base Periods

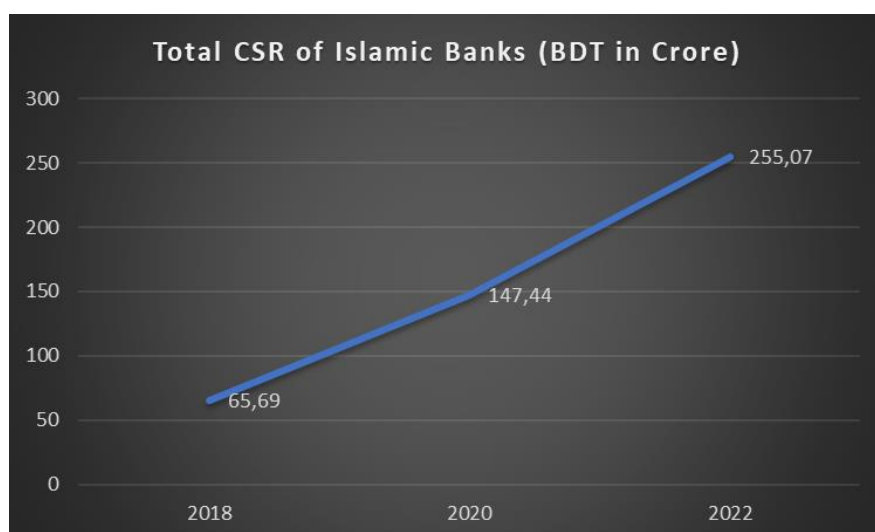


Figure 4. Trend Evaluation by Islamic Banks during (July-December) 2018, 2020 and 2022

The graph illustrates the total Corporate Social Responsibility (CSR) spending of Islamic banks over some time, measured in BDT in Crore.

From July to December over the years 2018 to 2022, the graph highlights a steady rise in CSR spending by Islamic banks. The increase is substantial:

From 65.69 Crore BDT in 2018 to 255.07 Crore BDT in 2022, representing more than a quadrupling of the initial amount.

The rate of increase appears to be accelerating, as the gap between consecutive years widens (from 2018 to 2020 and then from 2020 to 2022).

CONCLUSION

As of December 2022, Islamic banks accounted for approximately 49.65% of the total CSR spending, amounting to BDT 255.07 crore. In December 2020, their CSR spending was BDT 147.44 crore, and in 2018, it was BDT 65.69 crore. This indicates an accelerating trend in CSR expenditure, as the gap between consecutive years continues to widen. By Bangladesh Bank's instructions, Islamic banks also carry out sector-wise CSR contributions. In 2022, total CSR spending by all Islamic Banks in Bangladesh on disaster management reached BDT 199.37 crore, the health sector reached BDT 20.92 crore, and thirdly education sector received BDT 19.89 crore. In all three sectors, the contribution of Islamic banks has increased since 2018. The performance in other sectors is also satisfactory. The trend analysis of CSR practices in Islamic banks in Bangladesh indicates a steady yet encouraging development in their social responsibility efforts. While many banks are actively contributing to areas like charity, healthcare, and education, a truly comprehensive approach that reflects Islamic ethical principles and a focus on long-term sustainability is still missing. In many cases, CSR activities seem to be more reactive and focused on public image rather than being proactive and truly impact-driven. To turn CSR into a meaningful tool for socio-economic change, Islamic banks need to embed it within their core business strategy, emphasising transparency, innovation, and community empowerment. Ongoing research and constructive policy dialogue are also crucial for enhancing the regulatory and institutional frameworks that support effective CSR practices in the Islamic banking sector.

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Author Contribution

Md. Riazul Haque, and Md. Manjurul Haque: Conceptualisation, methodology, writing, review, and editing.

Conflicts of Interest

All authors declare no conflict of interest.

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