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CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF ISLAMI BANK BANGLADESH PLC: AN ANALYSIS OF SHARIAH-BASED CSR INITIATIVES, SUSTAINABLE DEVELOPMENT GOALS (SDGS), AND POVERTY REDUCTION

Nurjahan Akter Monira [(a)1]

[(a)] *Department of Business Studies, State University of Bangladesh, South Purbachal, Kanchan, Dhaka-1461, Bangladesh; E-mail: nurjahan@sub.edu.bd*

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ABSTRACT

This study investigates the Shariah-based corporate social responsibility (CSR) practices of Islami Bank Bangladesh PLC (IBBL), the pioneer and largest Islamic commercial bank in South and Southeast Asia. It examines their contribution to Sustainable Development Goals (SDGs) in a developing-country context. Bangladesh's banking sector has faced growing regulatory and stakeholder pressure to move CSR spending beyond ad hoc philanthropy toward measurable social and environmental outcomes. However, Shariah-compliant banks pursue this obligation through a distinct doctrinal lens grounded in maqasid al-shariah rather than purely secular CSR theory. The study examines the sectoral allocation, doctrinal grounding, and trend of IBBL's CSR expenditure over the past two decades and its alignment with SDG 1 (No Poverty), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action). This study employs secondary data drawn from IBBL annual reports, Bangladesh Bank Sustainable Finance Department disclosures, peer-reviewed academic studies, and financial-press reporting on Bangladesh Bank's CSR bulletins for the period 2005–2025. The results show that IBBL was the single largest bank-level CSR spender in the sector in both 2022 (BDT 327 crore) and 2023 (BDT 100 crore), with disaster management, education, and health historically absorbing the largest shares of its cumulative CSR outlay, which surpassed BDT 300 crore between 1983 and 2013 alone. The findings of this study suggest that IBBL's CSR portfolio is disproportionately weighted toward the Shariah category of daruriyyat (necessities) relative to complementary and embellishing categories, that sector-wide CSR expenditure in Bangladesh peaked in 2022 before declining sharply amid tighter loss-recognition and profit-reporting standards through 2025, and that IBBL's CSR trajectory closely tracks, and periodically outweighs, this broader sectoral pattern. Practical and policy implications for SDG-aligned Islamic banking are outlined.

INTRODUCTION

Corporate social responsibility (CSR) has become a central expectation placed on the banking sector of Bangladesh, a country whose graduation from Least Developed Country (LDC) status depends in part on the private sector's contribution to inclusive growth and to the 2030 Agenda for Sustainable Development (United Nations, 2015). Bangladesh Bank, the central bank, formalized this expectation through its Sustainable Finance Department, which mandates that scheduled banks direct CSR spending toward education, health, and environmental protection, while allowing a residual allocation for disaster management, sports, culture, and other social causes (Bangladesh Bank, n.d.). Within this regulated but still evolving CSR landscape, Islamic or Shariah-based banks occupy a distinctive position, since their CSR obligations are not merely a reputational or regulatory add-on but are held by many scholars to be an intrinsic expression of maqasid al-shariah, the higher objectives of Islamic law that require the protection of faith, life, intellect, lineage, and wealth (Chapra, 1992; Prasojo, Muhfiatun, Syarifah, & Rosman, 2025).

Islami Bank Bangladesh PLC. (IBBL), established in March 1983 as the first Shariah-based scheduled commercial bank in South and Southeast Asia, is the natural case through which to examine this doctrinally grounded model of CSR, given its status as the largest private-sector bank by branch network and its long institutional history of welfare banking through the Sadaqah Fund established in July 1983 (Islami Bank Bangladesh PLC, n.d.). Recent Bangladesh Bank

[1]*Corresponding author: ORCID ID: 0009-0002-4387-2602*

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disclosures, reported through the financial press, show that IBBL was the single largest bank-level CSR spender in the entire scheduled-banking sector in 2022, contributing BDT 327 crore, and again ranked as the highest CSR contributor among individual banks in 2023 despite an overall sector-wide contraction in CSR outlays (The Business Standard, 2023; The Financial Express, 2024). At the same time, more recent reporting indicates a sharp decline in IBBL's CSR contribution associated with governance difficulties and reported financial losses at the bank since 2024–2025 (The Business Standard, 2026), raising an important and timely research question about the resilience of Shariah-based CSR commitments when a bank's own financial position deteriorates.

Existing academic literature on IBBL's CSR practices has tended either to examine short multi-year windows using content analysis of annual reports (for example, 2009–2016 or 2013–2017) or to test statistical associations between CSR expenditure components and profitability ratios such as return on equity (ROE), without situating the bank's CSR trajectory within the more recent, and more volatile, 2020–2025 period, and without explicitly mapping CSR sectors onto the Sustainable Development Goals (SDGs) framework that now dominates international development discourse (Miah & Fekete-Farkas, 2025). This creates a gap: a longer-run, SDG-referenced, maqasid-informed reading of IBBL's CSR practice that treats both its historic strengths (in humanitarian relief, education, and health) and its recent vulnerabilities (linked to its 2024–2025 financial distress) as part of a single, continuous narrative.

The general aim of this study is to analyze the sectoral composition, doctrinal grounding, and two-decade trend of IBBL's Shariah-based CSR expenditure and to evaluate its contribution to selected Sustainable Development Goals in Bangladesh.

This study employs a secondary-data, document-based, and content-analytic methodology, drawing on IBBL annual reports, Bangladesh Bank Sustainable Finance Department disclosures, peer-reviewed academic studies on IBBL and comparable Shariah-based banks, and financial-press coverage of Bangladesh Bank's periodic CSR bulletins.

The paper proceeds as follows. The literature review situates IBBL's practice within stakeholder, legitimacy, and maqasid al-shariah theoretical traditions and surveys recent empirical work on Islamic-bank CSR in Bangladesh and comparable Muslim-majority economies. The materials and methods section describes the secondary data sources, the two-decade study period, and the content-analytic and trend-analytic techniques applied. The results section reports the sectoral and temporal pattern of CSR expenditure. The discussion interprets these patterns against the literature and the maqasid framework, and the conclusion summarises the contribution, limitations, and directions for future research.

LITERATURE REVIEW

The academic treatment of corporate social responsibility begins with Carroll's (1979, 1991) pyramid, which locates economic, legal, ethical, and philanthropic responsibilities as nested obligations of the firm, and with Freeman's (1984) stakeholder theory, which reframes CSR as a mechanism for managing the claims of the diverse groups whose cooperation a firm requires. Friedman (1970) offers the classical counterpoint that a firm's sole social responsibility is to increase its profits within the rules of the game, a position against which most contemporary banking-sector CSR research, including studies of Bangladeshi banks, implicitly argues. Suchman's (1995) legitimacy theory adds a further lens: firms undertake CSR, and disclose it, to maintain congruence between their actions and the norms of the society in which they are embedded, a framing that Miah and Fekete-Farkas (2025) apply directly to Bangladeshi banks' pursuit of SDG-aligned legitimacy. Elkington's (1997) triple-bottom-line concept, which requires firms to balance economic, social, and environmental performance, underlies the tripartite education–health–environment allocation that Bangladesh Bank now mandates for all scheduled banks (The Financial Express, 2024).

Within Islamic finance, CSR is theorized somewhat differently. Chapra (1992) argues that Islamic economic activity is inseparable from the higher objectives of Shariah, or maqasid al-shariah, which require the protection of faith (hifz al-din), life (hifz al-nafs), intellect (hifz al-aql), lineage (hifz al-nasl), and wealth (hifz al-mal). Subsequent scholarship has operationalized this framework for empirical CSR research by classifying Islamic banks' CSR expenditure into daruriyyat (necessities), hajiyyat (complements), and tahsiniyyat (embellishments), and using the resulting index to benchmark banks' ethical performance (Prasojo et al., 2025). Applying a similar maqasid lens to IBBL specifically, earlier content-analytic work covering the bank's 2009–2016 annual reports found that the overwhelming majority of IBBL's CSR expenditure and activity fell within the necessities category, chiefly humanitarian relief, health, and basic education, with comparatively limited allocation to the higher-order complements and embellishments categories. This pattern is consistent with the priorities of a lower-middle-income economy in which basic needs remain unmet for a substantial share of the population. However, it also signals room for IBBL to expand into higher-order maqasid domains such as intellectual development, research, and cultural preservation as the bank and the economy mature.

A separate but related empirical literature has quantified IBBL's CSR expenditure directly. Content analysis of the bank's annual reports for 1983–2013 found a cumulative CSR outlay in the order of BDT 300 crore, benefiting nearly eleven million individuals, with the bank's contribution representing more than ten per cent of total banking-sector CSR expenditure in every year between 2010 and 2013. A subsequent five-year window, 2013–2017, recorded a cumulative CSR expenditure of approximately BDT 353 crore, with the humanitarian and disaster-relief category exhibiting the fastest growth rate (47 percent), followed by education (29 percent) and health. These figures corroborate the maqasid-based finding that IBBL's CSR portfolio has historically prioritized necessities, while also demonstrating a marked acceleration in absolute CSR spending across the 2010s.

More recent, sector-wide evidence from Bangladesh Bank, reported through the financial press, situates IBBL within the trajectory of the entire scheduled-banking sector. Aggregate bank CSR expenditure in Bangladesh rose from BDT 968 crore in 2020 to a three-year high of BDT 1,129 crore in 2022, an increase of 48 per cent, before falling by 18 per cent to BDT 924.32 crore in 2023, and continuing to decline to BDT 617 crore in 2024 and BDT 345 crore in 2025 (The Business Standard, 2023; The Financial Express, 2024; The Business Standard, 2026). IBBL and Dutch-Bangla Bank were reported as the two leading individual CSR spenders in 2022, with IBBL alone contributing BDT 327 crore, and Islamic (Shariah-based) banks collectively accounted for roughly half of total sector CSR spending during the second half of 2022, with IBBL's own contribution of BDT 125 crore directed almost entirely toward disaster management (The Business Standard, 2023). By 2023, IBBL remained the single highest CSR-spending bank, contributing approximately BDT 100 crore even as the sector-wide total contracted (The Financial Express, 2024). The most recent reporting available indicates that IBBL's CSR contribution has since fallen sharply, a decline explicitly linked by industry commentary to the bank's deteriorating financial position and to more transparent, loss-inclusive profit reporting across the sector rather than to any formal withdrawal from social commitments (The Business Standard, 2026).

The sectoral composition of Islamic-bank CSR in Bangladesh has also received attention. Descriptive evidence for 2018–2023 indicates that the residual 'other' category, alongside disaster management, has periodically absorbed a larger share of Shariah-based banks' CSR spending than either education or health, a pattern in tension with Bangladesh Bank's own guideline that 30 percent of CSR expenditure be directed to education and a further 30 percent to health. In the first half of 2023, however, health-sector CSR spending across the banking sector rose sharply, driven by banks' response to a dengue outbreak, illustrating how Bangladesh's CSR allocation responds dynamically to public-health emergencies (The Business Standard, 2023).

Comparative and cross-country literature situates the Bangladeshi case within the wider Islamic-finance discourse on CSR, ESG, and sustainability. Guidance for developing Shariah-compliant products and Shariah governance for sustainable banks in Bangladesh emphasizes that governance quality is a precondition for credible CSR delivery (Uddin, Mamun, Hosen, & Günerhan, 2024). Evidence from Indonesia demonstrates that CSR disclosures aligned with maqasid shariah rules are positively associated with Islamic banks' stakeholder legitimacy and long-term performance (Prasojo et al., 2025), while research on takaful (Islamic insurance) operators shows how ESG principles can be systematically integrated with maqasid al-shariah objectives to produce a blueprint transferable to Islamic banking more broadly (Mohd Zain, Muhamad, Abdullah, Sheik Ahmad Tajuddin, & Wan Abdullah, 2024). Within Bangladesh specifically, recent work assessing whether bank CSR supports progress toward the SDGs finds that banks' CSR contributions are concentrated in socio-economic sectors such as education and disaster management, with comparatively limited attention to environmental objectives, a gap attributed in part to financial constraints (Miah & Fekete-Farkas, 2025). This finding is directly relevant to IBBL, whose reported CSR allocation has likewise been weighted toward humanitarian, disaster, and health-related necessities rather than environmental or climate-related complements.

The broader Bangladeshi banking-sector CSR literature, including studies published in the Bangladesh Journal of Multidisciplinary Scientific Research and affiliated CRIBFB outlets, reinforces several of these themes. Bibliometric mapping of the green-banking literature identifies sustainable development and corporate social responsibility as the two dominant research clusters within this field, while also noting limited cross-country research collaboration, implying that single-country, single-bank studies such as the present one continue to fill an important gap (Rahman, Shamsudin, Mohamad, et al., 2024). Work on green human-resource management highlights the internal, employee-facing dimension of sustainability practice that complements external CSR spending (Ali, Islam, Chung, Zayed, & Afrin, 2020), and cross-country evidence on the determinants of economic growth in developing economies such as Bangladesh underscores the macro-level stakes of getting financial-sector social investment right (Bazaluk et al., 2024). Even CSR studies conducted outside the banking sector, such as an examination of how business-school faculty's perceptions of CSR shape employee engagement through organisational trust, confirm that CSR's benefits accrue not only to external beneficiaries but also to the sponsoring institution's own workforce and legitimacy (Khanal & Arora, 2025), while microfinance-sustainability research from the same journal illustrates the wider development function that Islamic and quasi-Islamic financial institutions perform in underserved communities (Ayanle, Chowdhury, Al-Imran, & Rahman, 2022).

A further strand of literature situates Bangladesh's CSR trajectory within its wider development context. As a country in the process of graduating from Least Developed Country (LDC) status, Bangladesh's per-capita gross national income, human-asset index, and economic and environmental vulnerability indicators are all directly influenced by the scale and quality of private-sector social investment, including bank CSR. Studies of Shariah supervisory boards and Shariah audit committees further argue that internal Islamic governance structures are themselves a determinant of the scale and consistency of CSR adoption at Islamic banks, since a stronger Shariah audit function is associated with more rigorous review of whether CSR expenditure genuinely serves maqasid objectives rather than merely satisfying Bangladesh Bank's minimum disclosure requirements. This governance dimension is particularly salient for IBBL given the bank's widely reported governance difficulties and change of ownership structure since 2017, which several of the sources reviewed link to its more recent CSR volatility.

The regulatory architecture within which all of this activity occurs deserves separate emphasis. Bangladesh Bank's Sustainable Finance Department, formed in 2015 by merging the earlier Green Banking and CSR Department, administers both a mandatory CSR-reporting regime and a BDT 2.00 billion refinance scheme for renewable-energy and green products, explicitly including a Shariah-based window for renewable-energy financing (Bangladesh Bank, n.d.). This dual architecture, mandatory CSR spending on one side and concessional green refinancing on the other, means that an Islamic bank such as IBBL has, at least in principle, two independent policy channels through which to advance SDG 13 (Climate Action): CSR grants classified as environmental expenditure, and Shariah-compliant green investment financed through the central bank's refinance window. The literature reviewed above, however, indicates that IBBL and comparable Shariah-based banks have made comparatively limited use of the CSR channel for environmental purposes to date, leaving the refinancing channel as the more active, but CSR-distinct, avenue for climate-related impact.

Finally, it is worth noting that the CSR-and-financial-performance literature specific to IBBL reports mixed and sometimes counter-intuitive results. Using bank-level panel data from 2008 to 2016, one widely cited study found that CSR expenditure on employees was associated with a lower return on equity but a higher deposit-per-employee ratio, suggesting that the financial-performance consequences of CSR spending in IBBL's case are channel-specific rather than uniformly positive or negative, and that studies which measure financial performance solely through a single profitability ratio such as ROE may understate CSR's broader contribution to franchise value, for example through deposit mobilisation, staff retention, or reputational capital. This caution against relying on any single financial-performance metric to judge the value of Shariah-based CSR is carried forward into the discussion below.

Taken together, this literature establishes three points of consensus and one persistent gap. First, IBBL has consistently ranked among the largest, and often the single largest, bank-level CSR spenders in Bangladesh across the past two decades. Second, its CSR allocation has been historically dominated by the maqasid category of necessities, chiefly humanitarian and disaster relief, education, and health, with comparatively limited allocation to environmental and higher-order complementary objectives. Third, sector-wide and IBBL-specific CSR expenditure in Bangladesh has become markedly more volatile since 2022, rising sharply and then contracting in association with regulatory tightening and, in IBBL's case, deteriorating financial performance. The persistent gap is the absence of a study that connects this volatility explicitly to the SDG framework and to IBBL's own institutional trajectory over a full two-decade horizon rather than a short multi-year window. This study addresses that gap.

On this basis, the study advances the following propositions, which structure the descriptive and content-analytic results reported below: (P1) IBBL's cumulative CSR expenditure has grown substantially in absolute terms over the study period, but its year-to-year trajectory since 2020 has been considerably more volatile than in the pre-2020 period; (P2) IBBL's CSR sectoral allocation is disproportionately concentrated in the maqasid category of necessities (humanitarian relief, disaster management, health, and basic education) relative to complements and embellishments; (P3) IBBL's CSR expenditure as a share of total banking-sector CSR expenditure has generally exceeded its relative size in the sector, consistent with its self-positioning as a welfare-banking pioneer; and (P4) the 2022–2025 contraction in IBBL's CSR outlay is associated primarily with the bank's own deteriorating financial performance rather than with a change in Bangladesh Bank's regulatory CSR requirements.

MATERIALS AND METHODS

This study adopts a qualitative-quantitative secondary-data research design combining document-based content analysis with descriptive trend analysis, an approach consistent with prior content-analytic studies of IBBL's CSR disclosures and comparable Islamic-bank CSR research (Prasojo et al., 2025). No primary data were collected from human participants; the study relies exclusively on publicly available secondary material, and no institutional ethics review was therefore required.

Data sources and study period: The study covers the twenty-one-year period from 2005 to 2025. Data were drawn from four categories of secondary source: (i) IBBL's own corporate disclosures, including its annual report archive (islamibankbd.com/annual_report.php) and institutional CSR history; (ii) Bangladesh Bank Sustainable Finance Department policy and guideline documents governing CSR allocation by scheduled banks; (iii) peer-reviewed and working-paper academic studies that have previously content-analysed IBBL's annual reports for defined sub-periods (1983–2013, 2009–2016, and 2013–2017); and (iv) contemporaneous financial-press reporting of Bangladesh Bank's periodic (half-yearly and annual) aggregate CSR bulletins for 2020–2025, sourced from The Business Standard, The Financial Express, and The Daily Star (2024).

Sampling procedure: Because IBBL is the unit of analysis and the oldest and largest Shariah-based bank in Bangladesh, no bank-level sampling was required; instead, a purposive, time-period sampling procedure was used to identify every publicly available secondary source reporting IBBL-specific or directly comparable sector-wide CSR expenditure figures for the 2005–2025 window. Years for which no bank-specific or reconcilable sector-wide figure could be located in the sources reviewed are reported as not available (NA) in the results and the accompanying dataset, rather than being estimated, in order to preserve the empirical integrity of the reported series.

Measures: The principal measures extracted were (a) IBBL's annual or period CSR expenditure in BDT crore; (b) total scheduled-banking-sector CSR expenditure in BDT crore for the same period, where reported; (c) IBBL's share of total sector CSR expenditure, computed as IBBL expenditure divided by sector-total expenditure where both figures were available for a comparable period; and (d) the qualitative sectoral focus of CSR spending (for example, disaster management, education, health, environment and climate change, culture, and 'other'), classified descriptively against Bangladesh Bank's four-category guideline (education 30 per cent, health 30 per cent, environment and climate change 20 per cent, and a residual 20 per cent for other categories) and, separately, against the three-tier maqasid al-shariah classification (necessities, complements, and embellishments) used in prior IBBL-specific studies.

Research design and data analysis technique: The study is a single-case, longitudinal document analysis. Data were organized chronologically and analyzed using (i) descriptive trend analysis of CSR expenditure levels and year-on-year percentage change, and (ii) qualitative content analysis of the sectoral and doctrinal (maqasid-based) classification of reported CSR activities, following the coding logic used in prior maqasid-based studies of IBBL. Because the underlying secondary sources report figures for overlapping but non-identical periods (calendar years, half-years, and multi-year cumulative windows), the study does not pool these figures into a single continuous regression-ready panel; instead, each reported figure is presented alongside its original reporting period and source, consistent with recommended practice for synthesizing heterogeneous secondary financial disclosures.

Strengths and limitations of the method: The principal strength of this design is that it draws on multiple independent, cross-validating sources, including central-bank-derived press reporting and peer-reviewed content analyses, to construct a longer continuous narrative than any single prior study of IBBL's CSR practice. The principal limitation is that a fully continuous, single-source, audited year-by-year CSR expenditure series for IBBL covering the entire 2005–2025 period could not be constructed from the secondary sources accessible to this study; several years, particularly 2005–2009, 2014–2019, and 2024–2025, lack a directly comparable, bank-specific figure and are reported as not available rather than estimated. A second limitation is that press-reported half-yearly and calendar-year figures for 2021–2022 are not always numerically reconcilable across sources, reflecting differences in how Bangladesh Bank's periodic CSR bulletins have been aggregated and reported over time. Researchers seeking to extend this study into a formal econometric panel are directed to IBBL's audited annual reports and to Bangladesh Bank's Sustainable Finance Department for primary verification.

RESULTS

Table 1. Summarizes the reported CSR expenditure of IBBL alongside total scheduled-banking-sector CSR expenditure for the years in which directly comparable figures could be located in the secondary sources reviewed. The complete twenty-one-year (2005–2025) dataset, including sectoral notes and full source citations for every year in the study period, is provided as an accompanying Excel workbook.

Year	IBBL CSR Expenditure (BDT Crore)	Banking-Sector Total CSR Expenditure (BDT Crore)	IBBL Share of Sector CSR (%)
2020	N/A*	968	N/A
2021	≈255 (Islamic banks, aggregate)	759	N/A
2022	327	1,129	28.96
2022 (Jul–Dec)	125	514	24.32
2023	100	924.32	10.82
2024	N/A*	617	N/A
2025	declining sharply*	345	N/A

**Precise bank-specific figures for 2020, 2024, and 2025 were not located in the secondary sources reviewed for this study; qualitative reporting indicates a sharp decline in IBBL's CSR contribution from its 2022 peak through 2025 (The Business Standard, 2026). Sector-wide totals for these years are reported in the adjacent column.*

Cumulative and historical trend. Content-analytic studies of IBBL's annual reports for 1983–2013 record a cumulative CSR expenditure of approximately BDT 300 crore, reaching nearly eleven million beneficiaries, with the bank's annual contribution consistently exceeding ten per cent of total banking-sector CSR expenditure between 2010 and 2013 (peaking at 18.76 percent in 2011). The subsequent five-year window (2013–2017) recorded a cumulative CSR expenditure of approximately BDT 353 crore, with humanitarian and disaster-relief spending growing fastest (47 percent), followed by education (29 percent) and health. Read together, these two overlapping historical studies indicate that IBBL's CSR expenditure roughly matched its entire 1983–2013 cumulative total within the single subsequent five-year period 2013–2017, consistent with proposition P1: substantial absolute growth in CSR spending over the study period.

Recent trend, 2020–2025. Total scheduled-banking-sector CSR expenditure in Bangladesh rose from BDT 968 crore in 2020 to a three-year high of BDT 1,129 crore in 2022 (a 48 per cent increase over 2021's BDT 759 crore), before contracting by 18 per cent to BDT 924.32 crore in 2023, and falling further to BDT 617 crore in 2024 and BDT 345 crore in 2025. IBBL's own reported contribution moved broadly in step with, and in absolute terms exceeded, this sector pattern at its peak: IBBL was the single largest individual bank CSR spender in 2022 (BDT 327 crore, representing 28.96 per cent of the entire sector total) and again the largest individual spender in 2023 (BDT 100 crore, 10.82 per cent of the sector total), before its contribution is reported to have declined sharply through 2024 and 2025 in association with the bank's deteriorating financial position. This pattern supports proposition P3 (IBBL's CSR share has generally exceeded its relative size in the sector) for the peak years 2022–2023, while also supporting proposition P4, since the post-2023 decline coincides with, rather than precedes, IBBL's reported financial distress rather than any tightening of Bangladesh Bank's CSR requirement itself.

Sectoral and maqasid classification. Across the studies reviewed, IBBL's CSR spending has been consistently concentrated in humanitarian and disaster relief, education, and health, categories that correspond most directly to the maqasid al-shariah necessities of protecting life (hifz al-nafs) and, through education, intellect (hifz al-aql). For example, IBBL's H2-2022 CSR contribution of BDT 125 crore was reported as directed almost entirely to disaster management. At the same time, at the sector level, health-sector CSR spending rose sharply in the first half of 2023 in response to a dengue outbreak. Full-year 2023 sector spending was allocated 37.65 percent to health, 17.65 percent to education, and 7.38 percent to environment and climate change, with the remaining 43.72 percent classified as 'other'. Prior maqasid-based content analysis of IBBL's 2009–2016 annual reports similarly found the large majority of CSR activity concentrated in the necessities tier, with comparatively limited activity in the complements and embellishments tiers. This confirms proposition P2: IBBL's CSR portfolio is disproportionately weighted toward necessities, and the environment and climate change category, in particular, remains underweighted relative to the 20 percent minimum guideline that Bangladesh Bank sets for that category across the sector as a whole.

Table 2. Reproduces Bangladesh Bank's current guideline allocation, against which the observed sectoral concentration of IBBL's (and the wider sector's) CSR spending can be benchmarked

CSR Sector	Bangladesh Bank Guideline Allocation
Education	30%
Health	30%
Environment and climate change mitigation/adaptation	20%
Income-generating activities, disaster management, infrastructure development, sports and culture, and other sectors	Remaining 20% (combined)

DISCUSSIONS

The results confirm and extend the existing literature on IBBL's CSR practice in three principal respects. First, consistent with earlier content-analytic studies covering 1983–2013 and 2013–2017, this study's longer-run reading confirms that IBBL has been a persistent leader, and in several recent years the single largest individual spender, in bank-level CSR within Bangladesh's scheduled-banking sector (The Business Standard, 2023; The Financial Express, 2024). This is consistent with stakeholder theory's expectation that an institution whose founding mission is explicitly framed around welfare banking would internalize CSR as a core rather than peripheral function (Freeman, 1984). It is also consistent with legitimacy theory's expectation that IBBL uses visible CSR leadership to sustain its social license to operate as the flagship Shariah-based institution in a market where conventional banks have increasingly begun opening Islamic windows and converting to full Shariah-compliant status (Prothom Alo, 2025; Suchman, 1995).

Second, the concentration of IBBL's CSR spending in the maqasid category of necessities, chiefly disaster relief, health, and basic education, both confirms prior maqasid-based content analysis of the bank's 2009–2016 disclosures and extends that finding into the 2020s through the H2-2022 and 2023 sectoral breakdowns. This pattern is defensible on welfare grounds in a country where poverty, health vulnerability, and educational access remain pressing concerns directly relevant to SDG 1, SDG 3, and SDG 4. At the same time, it echoes a finding reported for the Bangladeshi banking sector as a whole: that CSR contributions to environmental objectives lag behind contributions to socio-economic objectives, a gap attributed to financial constraints rather than to an absence of environmental commitment in principle (Miah & Fekete-Farkas, 2025). For IBBL specifically, this suggests an opportunity, rather than a criticism in isolation, to expand green and climate-related Shariah-compliant financing instruments, of the kind that Bangladesh Bank's own Sustainable Finance Department already supports through its refinance schemes for renewable energy, in order to move the bank's CSR profile further into the complements and embellishments tiers of the maqasid framework and closer to Bangladesh Bank's 20 per cent environmental guideline.

Third, and most novel relative to prior IBBL-specific studies, the 2020–2025 trend data reveal a striking volatility that earlier, shorter-window studies could not observe: a sector-wide CSR surge to a three-year high in 2022, followed by a sustained contraction through 2025, with IBBL's own contribution first outpacing and then, by the account of subsequent reporting, falling behind this broader sectoral movement as the bank's financial position deteriorated. Industry commentary attributes this decline less to a change in Bangladesh Bank's CSR mandate, which continues to prohibit CSR spending by banks reporting net losses, than to more transparent, loss-inclusive profit reporting exposing the true financial condition of several banks, IBBL among them (The Business Standard, 2026). This finding has an important implication for the maqasid and legitimacy-theoretic literatures reviewed above: it suggests that Shariah-based CSR commitments, however doctrinally grounded, remain financially conditional in practice, since Bangladesh's regulatory framework itself ties permissible CSR expenditure to reported profitability. This is a meaningful qualification to any assumption that religiously motivated CSR is systematically more resilient to financial shocks than conventionally motivated CSR.

A fourth observation concerns measurement itself. The mixed prior evidence on CSR's relationship to IBBL's own profitability, where employee-related CSR expenditure has been found to depress ROE while simultaneously improving deposit mobilization, cautions against treating any single accounting ratio as a sufficient test of whether Shariah-based CSR genuinely pays off for the bank. A more appropriate evaluative frame, consistent with both stakeholder theory and the maqasid tradition, treats CSR expenditure as an investment in multiple, only partially overlapping forms of capital: social capital with beneficiary communities, reputational capital with regulators and depositors, and religious or doctrinal capital with the bank's core Shariah-conscious customer base. Viewed this way, the sharp contraction in IBBL's CSR outlay after 2023 represents a risk not only to the communities it has historically served but to the bank's own long-run legitimacy capital, reinforcing the practical urgency of the governance and capital-adequacy reforms already under discussion for the bank.

These findings should be read alongside those from comparable Islamic-finance jurisdictions. Evidence from Indonesia indicates that CSR disclosure aligned with maqasid shariah objectives enhances Islamic banks' stakeholder legitimacy and long-term performance (Prasojo et al., 2025), which implies that IBBL's historically strong CSR reputation may itself constitute an intangible asset supporting its recovery, provided governance reforms of the kind recommended for Bangladesh's Shariah-compliant banks generally are implemented (Uddin et al., 2024). The takaful sector's experience of integrating ESG principles with maqasid al-shariah objectives (Mohd Zain et al., 2024) further suggests a template IBBL could adapt: formally mapping each CSR expenditure category onto both a specific SDG target and a specific maqasid dimension, thereby making the bank's welfare-banking narrative more legible to international ESG-oriented investors and rating agencies at a time when the bank most needs external confidence.

CONCLUSIONS

This study set out to analyze the sectoral composition, doctrinal grounding, and two-decade trend of Islami Bank Bangladesh PLC.'s Shariah-based CSR expenditure and to evaluate its contribution to selected Sustainable Development Goals. Drawing on a synthesis of IBBL's own disclosures, Bangladesh Bank's Sustainable Finance Department guidelines, prior peer-reviewed content analyses, and financial-press reporting of central-bank CSR bulletins for 2005–2025, the study finds that IBBL has been a persistent, and at its peak the single largest, individual bank-level CSR spender in Bangladesh, with cumulative CSR expenditure exceeding BDT 300 crore between 1983 and 2013 alone and a further approximately BDT 353 crore between 2013 and 2017. IBBL's CSR portfolio has been consistently concentrated in the maqasid al-shariah category of necessities, principally disaster relief, education, and health, which corresponds closely to SDG 1, SDG 3, and SDG 4, but which leaves the environment and climate change category, and the higher-order maqasid tiers of complements and embellishments, comparatively under-developed relative to Bangladesh Bank's own 20 percent environmental guideline.

The unique contribution of this study lies in extending the analytical window on IBBL's CSR practice beyond the short multi-year periods examined in prior content-analytic research to a full two-decade horizon that captures both the bank's historic welfare-banking strength and its recent 2022–2025 volatility, and in explicitly connecting this trajectory to the SDG framework and to the maqasid al-shariah tradition simultaneously, an integration that the existing literature has generally attempted only separately.

For practice and policy, the findings suggest three implications. Bank management should consider formally mapping CSR sectoral allocation onto both SDG targets and maqasid al-shariah tiers to strengthen stakeholder communication and legitimacy, particularly with international ESG-oriented counterparties. Regulators at Bangladesh Bank may wish to examine whether the current rule tying permissible CSR expenditure strictly to reported net profit unduly compresses welfare-banking institutions' CSR capacity precisely when local communities need disaster and health-related support most, for example during and after a loss-reporting cycle triggered by asset-quality corrections. Moreover, IBBL itself has a clear opportunity, once its financial position stabilizes, to rebalance its CSR portfolio toward under-weighted environmental and climate-adaptation activities consistent with both Bangladesh Bank's guideline and the higher-order objectives of maqasid al-shariah.

This study is subject to important limitations. It relies entirely on secondary, non-audited, and in places non-reconcilable press and academic sources rather than a single continuous primary dataset extracted directly from IBBL's audited annual reports; several years within the twenty-one-year study window lack directly comparable bank-specific figures and are reported as not available rather than estimated. The study is also a single-case analysis and does not statistically test the association between CSR expenditure and financial performance, an association that prior studies using IBBL panel data from 2008–2016 have examined with mixed results for different CSR expenditure components. Future research should construct a fully audited, continuous IBBL CSR panel directly from primary annual-report data for 2005–2025, apply formal panel-data or event-study methods to test the relationship between CSR expenditure, maqasid classification, and financial performance around the bank's 2024–2025 distress episode, and extend the comparative maqasid–SDG mapping proposed here to other Shariah-based banks in Bangladesh to assess whether the patterns identified for IBBL generalize across the sector.

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