

# Finacing the future, sustainably

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Md Arfan Ali, managing director of Bank Asia, says the lender is now giving priority to providing green loans.

The bank conducts an environmental rating scale on businesses before giving out loans to them, Ali said.

As such, firms that set up environment-friendly industrial units get priority in availing green finance from the bank.

"We will speed up the green loan disbursement in the foreseeable future," Arfan said, adding that global banks are now embracing sustainable financing more than before to fight climate change.

Selim RF Hussain, managing director of BRAC Bank, said his organisation has a goal of becoming the number one sustainable bank in the country.

The bank's board has already mandated "Vision 2025", where it expects sustainability to be one of the fundamental driving forces.

"We have already synergized our business strategy as well as its performance parameters to contribute more towards achieving the sustainable development goals," Hussain said.

BRAC Bank is now working towards achieving carbon neutrality as it has a climate change commitment to fulfil as a member of the Global Alliance for Banking on Values.

The lender is also bringing innovative financing tools with its development partners for green entrepreneurs to flourish, especially for the climate vulnerable and marginal people, he added.

The central bank recently started focusing on disbursing green loans among cottage, micro, small and medium enterprises (CMSMEs) and the agriculture sector as well.

Under the sustainable finance programme, banks and NBFIs disbursed Tk 2,339 crore in CMSME loans between January and March this year.

The CMSMEs that address the issues of inequality, inclusiveness, investment in human capital and communities to protect the environment from pollution are considered for green loans from lenders.

**Md Arfan Ali**  
President & MD,  
Bank Asia Limited



Since its inception, Bank Asia has been committed towards a safe, clean and green environment. Our Green Banking activities cover multidimensional areas that include both in-house and external green activities and finance towards supporting the Green Economy. To maintain our commitment for a green environment, we will continue emphasising on financing projects related to renewable energy, energy and resource efficiency, alternative energy, waste management, recycling and manufacturing of recyclable goods, environment-friendly establishments and so on. The government may take initiatives to provide more low-cost funds through refinance schemes to promote green and sustainable finance. In addition, the government should take a comprehensive policy in line with the SDGs and NDGs to bar wilful defaulters and environment polluting entities from bank finance.

**Selim R.F.  
Hussain**  
MD & CEO,  
BRAC Bank Limited

We are working towards achieving carbon neutrality as we have a climate change commitment to fulfil as a member of the Global Alliance for Banking on Values. We are also bringing innovative financing tools with our development partners for green entrepreneurs to flourish, especially for the climate vulnerable and marginal people. Also, we have already adopted the "leave no one behind" approach for our future corporate social responsibility activities. Overall, our holistic, socially responsible banking approach will enable us to unlock the real potential of broader sustainability avenues and work for the people, planet and prosperity in future. We believe more public-private partnerships involving government institutions and banks can play a pivotal role in enhancing our sustainability portfolio.



**Mashrur  
Arefin**  
MD & CEO,  
City Bank Limited



City Bank's sustainability goals are aligned with UN SDGs. Transformation from conventional loan application and disbursement process to the paperless AI driven digital loan cuts GHG emission. For going Green, we made a draft of 5 years plan having 6 goals including carbon emission reduction plan. Hence, we recently joined the United Nations Net Zero Banking Alliance (NZBA). To promote sustainability in trade finance, we are doing a pilot program with ADB to develop an Environmental and Social Management Systems (ESMS) policy for trade finance. We introduced a dedicated sustainable finance helpdesk in 32 branches across Bangladesh.

Capital requirements for bank loans can be reduced, and tariff & tax benefits can be given to low-carbon manufacturing entities.

**Ali Reza  
Iftekhar**  
MD & CEO,  
Eastern Bank Limited

As a bank, we have integrated sustainability parameters in everything that we do, from credit management to everyday corporate culture. In 2021, we disbursed a total of Tk 3,562 crore in loans for projects keeping in mind environmental and social vulnerabilities. This is 21 per cent of our total lending last year. Moreover, the risk factor in sustainable financing is much less than the risk in conventional financing. As a lender, our future plan is to attach greater attention and importance to sustainable finance and green finance, and discourage irresponsible business practices that pose adverse impacts on environmental and social sustainability of the country and by extension, our planet.



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