

BANKING

on a Greener Future



Sohail R K Hussain, Managing Director, Bank Asia

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The Daily Star (TDS): What role do you see banks playing in promoting environmental sustainability in Bangladesh?

Sohail R K Hussain (SRKH): Bangladesh Bank is well aware of the country's environmental degradation and has, from time to time, issued directives to all scheduled banks, as well as introduced various refinance schemes to support environment-friendly industries. To promote environmental sustainability in the country, the following issues may be taken into consideration:

Implementation of Green Banking Guidelines

Bangladesh Bank (BB), the central bank, introduced Green Banking Guidelines in 2011, and subsequently launched the Sustainable Finance Policy in December 2020 (amended in October 2023). These guidelines require banks to formulate Green Banking policies, establish Green Banking units or help desks, allocate budgets for green finance, monitor environmental and social risks in lending practices.

Financing Green Projects

Banks in Bangladesh are providing finance for environment-friendly projects such as renewable energy (solar panels, biogas), energy-efficient industries, waste management and recycling plants, organic and climate-resilient agriculture.

Increased Use of Green Refinancing Schemes

Bangladesh Bank has introduced refinancing schemes for banks and financial institutions to encourage investment in green technologies and industries.

These offer concessional loans for solar home systems, biogas plants, solar irrigation pumps, green-featured buildings and various green projects.

Environmental Risk Assessment

Banks are now required to integrate Environmental and Social Risk Management (ESRM) into their credit risk analysis.

Loans to industries must meet specified environmental compliance standards, thereby discouraging pollution, climate change, and

deforestation.

Promoting Sustainable Corporate Practices

Through corporate social responsibility (CSR) initiatives, banks promote awareness of climate change and support local environmental projects.

Banks frequently fund tree plantation drives, awareness campaigns, and disaster relief efforts in climate-affected regions.

Fintech can play a vital role in sustainable financing by connecting investors with green projects.

Green Bonds and Sustainable Finance

Although still emerging, green bonds and sustainability-linked financial products are gaining interest in Bangladesh's banking sector.

These instruments can help mobilise funds for climate resilient infrastructure and low-carbon growth.

TDS: Can you highlight any specific green finance initiatives, sustainable investment strategies, or eco-friendly banking practices your institution has adopted recently?

SRKH: Bank Asia recognises its responsibility to protect the environment and the wellbeing of the people of the country. Since its inception, Bank Asia has been committed to ensuring a safe, clean, and green environment. Our principle always avoids financing environmentally hazardous businesses. Some of our notable green initiatives include the Solar Energy project (e.g. Spectra Solar Park – Tk 2,525.00 million); Green and Sustainable Agriculture in various rural areas (current outstanding Tk 1,337.61 million); Effluent Treatment Plants (ETPs) in garment industries (total outstanding around Tk 834.26 million); Green Building Initiatives (e.g. Shayham Knit Composite – Tk 220.00 million); and Hybrid Hoffman Kilns in brickfields (e.g. Eta & Tiles – Tk 350.00 million) as part of our commitment to a green economy.

Additionally, under our social business programme, we have signed an agreement with the Rural Development Academy (RDA) for the



we have introduced a Sustainable Finance Policy and incorporated ESRM guidelines into our loan screening processes. The Sustainable Finance Components and Sectors under this policy are aligned with 15 out of the 17 SDGs, addressing areas such as poverty, health, education, gender equality, net-zero transition planning, nature-based solutions, the circular economy model, and climate change.

TDS: As a corporate leader, what message would you like to share on World Environment Day about the responsibility of financial institutions in building a greener, more resilient future?

SRKH: The theme for World Environment Day 2025 is #BeatPlasticPollution.

Our planet is choking on plastic. For decades, plastic pollution has seeped into every corner of the world—leaching into the water we drink, the food we eat, and ultimately into our bodies. While plastic pollution remains a serious concern, it is also one of today's most solvable environmental challenges, with several practical solutions at hand.

Plastic waste—whether in a river, the ocean, or on land—can persist in the environment for centuries. It exacerbates the triple planetary crisis: climate change, nature and biodiversity loss, and pollution. Its detrimental effects on health, the economy, and ecosystems cannot be ignored. Urgent, effective, and robust action is required.

The world is waking up to this problem, and governments, industries, and other stakeholders are beginning to act. It is high time we reduce the production and consumption of single-use plastic, which must be replaced with durable and sustainable alternatives. World Environment Day 2025 will focus on ending plastic pollution.

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TRANSFORMING LIVES FOSTERING SUSTAINABILITY

Present Sustainable Finance Highlights

Total Investment
BDT 144,949.09 million

13 Sectors Covered

50.99% of Bank Asia PLC's financing dedicated to sustainability


Green Finance

 Renewable Energy
BDT 2,015.22 million

 Energy & Resource Efficiency
BDT 3,353.21 million

 Alternative Energy
BDT 2,756.07 million

 Green Agriculture
BDT 19.55 million

 Green CMSME
BDT 87.23 million

 Liquid Waste Management
BDT 834.26 million

 Circular Economy & Eco-Projects
BDT 3,475.24 million

 Environment-Friendly Brick Production
BDT 532.91 million

 Green/Environment Friendly Establishments
BDT 1,849.16 million

Total Financing in Green Projects:
BDT 14,922.85 million

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Sustainable Linked Finance

Sustainable Agriculture
BDT 1,318.06 million

Sustainable MSME
BDT 8,233.89 million

Socially Responsible Financing
BDT 2,934.20 million

Working Capital & Demand
Loan for Green Products
BDT 117,540.09 million

Total Financing in Sustainable Linked Projects:
BDT 130,026.24 million

Major Sustainable Investments

Spectra Solar Park (35 MW)
BDT 2,525 million

Energy-Efficient Machinery
BDT 190 million

Zero Liquid Discharge (ZLD) System
BDT 190 million

IMPACT

28% Rice yield boost in coastal saline soil (Collaboration with Khulna University)

211 Water tanks, each with a 5000-liter capacity, were donated to farmers in Bandarban

45 Families benefited from solar-powered irrigation on 20 acres of land in Rangpur

Bank Asia PLC. remains committed to ensuring sustainable growth and a greener future