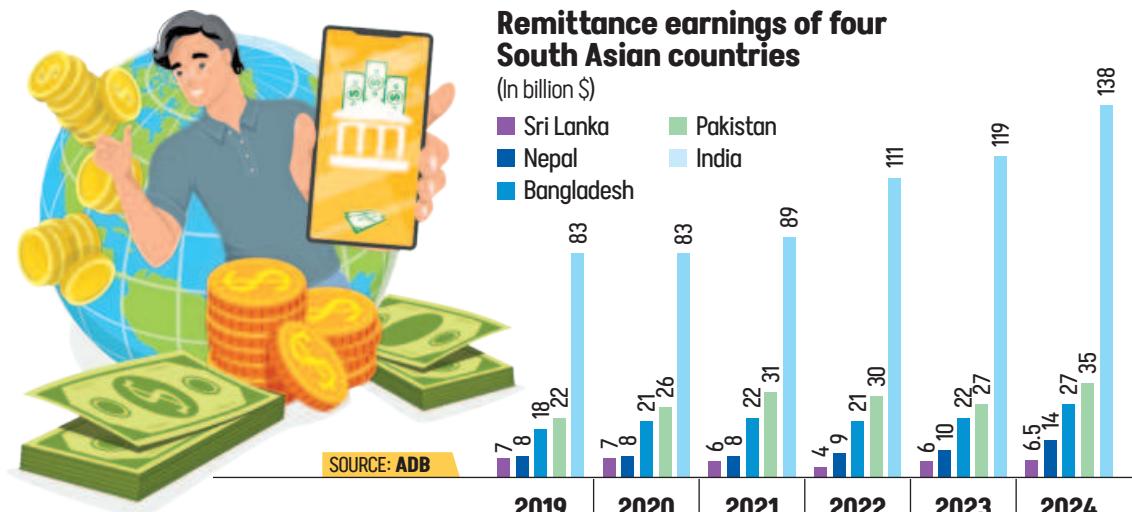


star BUSINESS



Bangladesh back in South Asia remittance race



REJAUL KARIM BYRON and AIHSAN HABIB

Bangladesh has returned to a competitive remittance growth path in line with its South Asian neighbours, with a larger-than-usual flow of money sent home by expatriates following the political changeover in August last year.

Although Bangladesh posted strong growth in remittance earnings last year, Pakistan and Nepal recorded much higher spikes over the same period, according to the Asian Development Bank (ADB).

After the pandemic-hit 2020, remittance inflows

to Bangladesh, Nepal and Pakistan had been rising gradually before surging in 2024.

Last year, Nepal led the region with a 36 percent jump to \$14 billion, while Pakistan recorded a 31 percent rise to about \$35 billion.

In its "Key Indicators for Asia and the Pacific 2025: Measuring Sustainable Global Production" report published last week, the ADB showed the trend.

Last year, Bangladeshis staying abroad sent home a record \$27 billion, up 23 percent year on year. In the first seven months of this year, the country's remittances climbed 26 percent year-on-year to \$19 billion, according to the Bangladesh Bank.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said the main driver was the drop in the demand for hundi, an informal and illegal money transaction channel.

"A diversion of remittance income from informal channels shifted after the July uprising. So, remittance income in the formal channel rose," he said.

Hussain added that demand for hundi fell as money launderers were thrown out of power, which caused informal transfers to dwindle.

"It is the biggest reason for the spike in remittance in Bangladesh."

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Patented drug prices may soar after LDC graduation says economist

STAR BUSINESS REPORT

Prices of some patented medicines may rise by 10 to 30 times as Bangladesh will no longer enjoy a waiver from complying with intellectual property rights after its graduation from a Least Developed Country (LDC) to a developing country, said a noted economist yesterday.

In addition, many small and medium firms may risk closure for failing to compete after the graduation, said Prof Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), at a debate on Bangladesh's capacity to meet the challenges of graduation.

The Debate for Democracy (DFD) organised the event at the Bangladesh Film Development Corporation, with DFD Chairman Hassan Ahamed Chowdhury Kiron chairing the session.

Bangladesh is scheduled to graduate from the LDC category in November next year. However, businesses have been urging the government to take steps to delay graduation by up to six years so they can better prepare for the challenges of losing duty-free market access in major destinations such as the European Union bloc.

Rahman said the country should remain prepared even if it applies for an extension.

"We have to focus on increasing competitiveness, technological development, productivity growth, establishing national single window systems to facilitate trade, and reducing lead time to meet the challenges after graduation," he said.

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The Chatogram port has slipped in the global container handling rankings despite recording its highest-ever container volume in 2024.

Ctg port slips in global container rankings

DWAIPAYAN BARUA, Ctg

The Chatogram port has slipped in the global container handling rankings despite recording its highest-ever container volume in 2024.

The country's premier seaport fell one notch to the 68th position in the "Lloyd's List: One Hundred Ports 2025" rankings.

According to the London-based Lloyd's List, the world's oldest shipping news outlet, Chatogram port handled a total of 3,275,627 TEUs in 2024, up from 3,050,793 TEUs in 2023, marking a 7.4 percent year-on-year increase in container throughput.

Saudi Arabian port of Dammam clinched 67th position by handling 3,290,538 TEUs in the same year.

Like previous years, China's Shanghai port has topped the Lloyd's List ranking by handling 51,506,300 TEUs, while Singapore port has secured the second position.

In a summarised comment on the port, the publication observed, "Launch of Bangladesh's first foreign-operated facility is hoped to mark a turning point in easing congestion and modernising operations."

Saudi Arabia-based port operator Red Sea Gateway Terminal began operating the newly built Patenga Container Terminal

(PCT) of Chatogram port in June last year.

The port had retained its 67th position in the 2024 edition of Lloyd's List, despite a 2.9 percent year-on-year decline in container handling in 2023.

In the 2023 edition, the port had slipped three places to return to 67th by handling 3,142,504 TEUs in 2022, a 2.2 percent annual drop, erasing gains made the previous year. It had advanced three spots in the 2022 edition to rank 64th.

Globally, the port climbed steadily for seven consecutive years starting in 2014. However, it slipped nine places to 67th in the 2021 edition, mainly due to

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Govt moves to amend consumer protection law

Draft introduces strict penalties for e-commerce crimes, hoarding

SUKANTA HALDER

The interim government is moving to strengthen the consumer protection legislation, with draft amendments to the Consumers' Rights Protection Act, 2009 introducing strict penalties for hoarding, e-commerce crimes, adulteration and overpricing.

Under the proposed changes, seen by The Daily Star, anyone caught illegally stockpiling essential goods to create artificial shortages could face up to two years' imprisonment, a fine of Tk 5 lakh, or both. The current law does not prescribe a specific penalty for hoarding.

The draft also proposes increasing penalties across a range of offences. Producing, processing, importing or selling goods in violation of health and safety standards would carry a maximum of two years in prison or a Tk 3 lakh fine, up from Tk 1 lakh, as per the proposal.

Knowingly selling, displaying or offering to sell adulterated goods, meanwhile, would result in the same level of punishment, although the maximum jail term is being reduced from three years to two.

Officials say the draft closes long-standing gaps in the law.

"The current act lacks a process to appeal against fines or decisions imposed by our officers," said Abdul Jalil, director of

Changes

Appeals against DCRP orders introduced for the first time

Draft addresses gaps in online business rules

Allows prosecution of e-commerce crime

Proposed penalties

Hoarding essentials may lead to two years' jail and Tk 5 lakh fine

Harmful products will carry two years' jail and Tk 3 lakh fine

Selling above fixed prices may lead to one year's jail and Tk 1 lakh fine

Review and other details

CAB welcomes changes but seeks stronger DCRP

A nine-member panel reviewed the law in March

Panel included SC lawyer, CAB, FBCCI and ministry officials

Draft amendments sent to commerce ministry on August 19

administration and finance at the Directorate of National Consumers' Right Protection (DNCRP).

"In the draft law, we have introduced a new provision allowing appeals," he said.

He also noted that digital commerce had proved a blind spot.

"Crimes on e-commerce platforms could not be prosecuted under the existing law. We

have now incorporated e-commerce-related matters into the law, enabling us to address scandals arising from online sites," said the DNCRP director.

The proposed amendments also increased penalties for selling, offering or displaying goods above the legally fixed or declared price to Tk 1 lakh from Tk 50,000. Jail time has remained capped at one year.

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Tariff leverage could bring \$2b in extra orders Economist says

STAR BUSINESS REPORT

Bangladesh could secure an additional \$2 billion in export orders, largely shifted from India and China, as it benefits from lower tariffs in the US market compared with the two largest Asian economies, said Zahid Hussain, former lead economist of the World Bank's Dhaka office, yesterday.

The Trump administration slapped as much as a 50 percent reciprocal tariff on exports from India, while China faces 30 percent on its exports to the American market. Bangladesh is in an advantageous position as the Trump administration has imposed a 20 percent tariff on its goods entering the US.

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The majority of the additional orders are likely to come from India, with a smaller portion from China, as many American clothing retailers and brands are expected to shift sourcing to avoid higher tariffs.

"It is an opportunity for Bangladesh," Hussain said at the commemorative lecture on Moazzem Hossain, former editor of The Financial Express, Bangladesh's first financial daily. The Economic Reporters' Forum (ERF) organised the lecture on Hossain, who was the founding president of the ERF.

READ MORE ON B3



Employers warn of unrest if unions form with 20 workers

STAR BUSINESS REPORT

Private sector employers have voiced concern over proposed changes to labour law that would allow a trade union to be formed if 20 workers agree, instead of the current requirement of 20 percent of a factory's workforce.

Owners, under the banner of Bangladesh Employers Federation (BEF) that represents a large chunk of the private sector employers, said yesterday that lowering the threshold could deter investment, spark disputes, reduce productivity and encourage multiple paper-based unions in a single factory.

IPDC ডিমার্জিটে | ১৬৫১৬

According to the federation, the minimum requirement for forming a union should be linked to the size of the workforce.

At an event at the Metropolitan Chamber of Commerce and Industry (MCCI) in Gulshan area of Dhaka, BEF President Fazle Shamin Ehsan said allowing unions with just 20 workers could lead to "opportunistic activities", damaging industrial relations.

On August 26, the draft amendments were discussed at the 89th meeting of the Tripartite Consultative Council, which includes representatives from government, industry and labour.

Ehsan said employers had adopted a constructive stance at that meeting but some proposals remained deeply worrying.

He pointed out that export-oriented industries, especially the readymade garment sector, are already under intense scrutiny from international buyers.

"If the new amendments create instability, it may disrupt production and timely order delivery. Our competitiveness in the global market would then weaken further," said Ehsan, who is also the managing director of Fatullah Apparels Ltd.

He said that in light of the new reciprocal tariffs and revised duty structures by the US, any added instability could drive buyers to shift orders elsewhere, placing the country's exports at greater risk.

The BEF president added that over-simplifying union registration could undermine foreign direct investment (FDI).

"Investors always seek a stable, predictable, and risk-free environment. If they believe industries may repeatedly fall into labour disputes, they will choose alternative destinations," he said.

"Labour law reform is a continuous process," said Ehsan. "It must align with international standards but also reflect the socio-economic realities of Bangladesh."

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Oil prices fall amid weaker demand

REUTERS, Houston

Oil prices fell on Friday as traders looked toward weaker demand in the US, the world's largest oil market, and a boost in supply this autumn from Opec and its allies.

Brent crude futures for October delivery, which expired on Friday, settled at \$68.12 a barrel, down 50 cents, or 0.73 percent. The more active contract for November finished down 53 cents, or 0.78 percent, at \$67.45.

West Texas Intermediate crude futures settled at \$64.01, down 59 cents, or 0.91 percent.

The market was in part shifting its focus toward next week's Opec+ meeting, said Tamas Varga, analyst at PVM Oil Associates.

Crude output has increased from the Organization of the Petroleum Exporting Countries and its allies, known as Opec+, as the group has accelerated output hikes to regain market share, raising the supply outlook and weighing on global oil prices.

"Overall, the bottom line is we're going to see a jump in supply feeding into a lackluster demand market," said Andrew Lipow, president of Lipow Oil Associates.

The US summer driving season ends on Monday's Labor Day holiday, signalling the end of the highest demand period in the United States, which is the largest fuel market.

City Bank holds workshop on prevention of money laundering in Barishal



Imtiaz Ahmad Masum, director of Bangladesh Bank's Barishal office, poses for group photographs with participants of the workshop on "Prevention of Money Laundering & Terrorist Financing, and ISS Reporting", organised by City Bank PLC in Barishal yesterday.

PHOTO: CITY BANK

STAR BUSINESS DESK

City Bank PLC organised a daylong workshop on "Prevention of Money Laundering & Terrorist Financing, and ISS Reporting" in Barishal yesterday.

A total of 43 officials from the retail and operations divisions of the bank participated in the workshop.

Imtiaz Ahmad Masum, director of

Bangladesh Bank's Barishal Office, inaugurated the programme as the chief guest, according to a press release.

Through this initiative, participants enhanced their knowledge and awareness of regulatory requirements on anti-money laundering, combating terrorist financing, and ISS reporting.

City Bank remains committed to arranging such capacity-building

programmes on a regular basis to strengthen the compliance culture across the organisation, the press release added.

Md Mahbubur Rahman, additional managing director and chief financial officer of City Bank PLC; Jahedul Islam, deputy chief anti-money laundering compliance officer; and Rakib Uddin Ahammad, head of finance, along with other senior officials, were also present.

AB Bank launches 'Entrepreneurship Development Program' with BB in Barishal



Madhusudan Banik, executive director of Bangladesh Bank's Barishal office, attends a skills development training initiative, titled the "Entrepreneurship Development Program", jointly organised by AB Bank PLC and Bangladesh Bank in Barishal recently.

PHOTO: AB BANK

STAR BUSINESS DESK

AB Bank PLC, in collaboration with the SME and Special Programs Department of Bangladesh Bank (BB) under the Skills for Industry Competitiveness and Innovation Program (SICIP) project, has launched a month-long skills development training initiative, titled the "Entrepreneurship Development Program" in Barishal.

A total of 25 promising young entrepreneurs from the Barishal region took part in the training programme, according to a press release.

Madhusudan Banik, executive director of Bangladesh Bank's Barishal office, inaugurated the event as the chief guest.

Through this month-long training, the entrepreneurs will acquire essential business knowledge and skills, enabling them to access formal banking services and contribute meaningfully to sustainable economic development.

Iftekhar Enam Awal, head of SME banking at AB Bank PLC, presided over the event.

Md Ayub Ali, joint director and deputy programme director (SICIP), and Molla Al Mahmud, joint director of Bangladesh Bank's Barishal office, along with other senior officials from both organisations, were also present.

SBAC Bank holds BAMLCO conference

STAR BUSINESS DESK

SBAC Bank PLC has organised a conference, titled the "Branch Anti-Money Laundering Compliance Officers (BAMLCO) Conference 2025" at the bank's head office in the capital recently.

Md Mofizur Rahman Khan Chowdhury, director of the Bangladesh Financial Intelligence Unit (BFIU), attended the event as the chief guest, according to a press release.

Md Masoodur Rahman, senior executive vice-president and chief anti-money laundering compliance officer (CAMLCO) of SBAC Bank PLC, presided over the programme.

Md Rayhanul Islam, additional director of the BFIU, and Md Rabiul Islam, managing director and CEO (current charge) of the bank, were present as special guests.

Md Anwarul Haque and Rajib Hassan, joint directors of the BFIU, conducted the sessions as resource persons.

ANM Mejbahul Hasan, vice-president and deputy CAMLCO of SBAC Bank PLC, along with other senior officials, was also present.



Md Mofizur Rahman Khan Chowdhury, director of Bangladesh Financial Intelligence Unit, poses for group photographs with participants of the "Branch Anti-Money Laundering Compliance Officers (BAMLCO) Conference 2025", organised by SBAC Bank PLC at the bank's head office in Dhaka recently.

Fed inflation gauge steady but pressures linger

AFP, Washington

The US Federal Reserve's preferred inflation gauge held steady in July but a measure of underlying price increases ticked up, government data showed Friday, as President Donald Trump's tariffs ripple through the economy.

The data, released by the Department of Commerce, is closely monitored for signs of how fresh and wide-ranging tariffs imposed this year are filtering through to consumers in the world's biggest economy.

For now, analysts note that the inflation impact has been limited as businesses hold back on passing down higher import costs fully.

The personal consumption expenditures (PCE) price index rose 2.6 percent in July from a year ago. This was the same rate as in June, the Commerce Department said.

Excluding the volatile food and energy segments, the PCE price index was up 2.9 percent, accelerating from June's 2.8 percent rate.

Both figures are notably higher than the Fed's long-run two percent inflation target, although they do not indicate a sharp surge in costs.

"Inflation continues to nudge higher, but it's clear that companies were not passing along most of the tariff price increases this summer," said Heather Long, chief economist at the Navy Federal Credit Union.

She noted that the 2.6 percent figure was in line with economists' expectations.

"The reality is the middle class does not have much extra room in their budgets to absorb higher costs," she said in a note.

This means that brands have to be careful when increasing costs: "Smaller price increases are much

easier for middle-class households to absorb." Meanwhile, consumer spending rose 0.5 percent from a month ago, while personal income picked up at a 0.4 percent pace.

"Real consumption rose in July at the briskest pace since March," said Samuel Tombs, chief US economist at Pantheon Macroeconomics.

But he noted that the trend remains "considerably weaker than last year."

"Consumers maintained a firm pace of spending but the uptick in inflation is curbing the rate of household outlays, especially on discretionary goods and services," said Nationwide chief economist Kathy Bostjancic.

She expects consumers to become more selective in spending over the coming months, as tariffs increasingly get passed through to consumer costs.

Japan pledges \$68b investment

FROM PAGE B4

Earlier Modi told a business forum in Tokyo that India and Japan will "shape the Asian Century", with India "the springboard for Japanese businesses to the Global South".

Both countries have been hit by tariffs imposed by US President Donald Trump, with levies of 50 percent on many Indian imports into the United States taking effect this week.

Japan's vital auto sector still faces 25 percent tariffs as a July trade deal cutting them -- as well as additional "reciprocal" levies -- is yet to come

into force.

Modi and Ishiba are set to tour a chip facility on Saturday.

They will also visit a factory making "shinkansen" bullet trains, with a view to Japan assisting in a planned 7,000 kilometre (4,350-mile) high-speed rail network by the centenary of Indian independence in 2047.

A joint project aimed at building a first high speed link between the western Indian cities of Mumbai and Ahmedabad has been plagued for years with delays and cost overruns.

Modi is due at a Shanghai

Cooperation Organisation summit in China on Sunday and Monday, hosted by President Xi Jinping and also attended by Russian leader Vladimir Putin.

The visit will be Modi's first to China since 2018.

The two most populous nations are intense rivals competing for influence across South Asia and fought a deadly border clash in 2020.

But relations began to thaw last October when Modi met with Xi for the first time in five years at a summit in Russia.

US appeals court finds

FROM PAGE B4

were authorized, with the document noting: "We conclude they are not."

In a supplementary filing just hours before the appeals court released its decision, Trump cabinet officials argued that ruling the global tariffs illegal and blocking them would hurt US foreign policy and national security.

"Such a ruling would threaten broader US strategic interests at home and abroad, likely lead to retaliation and the unwinding of agreed-upon deals by foreign trading partners," wrote Commerce Secretary Howard Lutnick.

Lutnick added that they could also "derail critical ongoing negotiations with partners."

Treasury Secretary Scott Bessent,

meanwhile, warned that suspending the effectiveness of tariffs "would lead to dangerous diplomatic embarrassment."

Several legal challenges have been filed against the tariffs Trump invoked citing emergencies.

If these tariffs are ultimately ruled illegal, companies could possibly seek reimbursements.



Farmers on dinghies are cutting and collecting Aush paddy, a rice variety grown in summer and harvested in the monsoon. They say yields are good this season, with prices ranging from Tk 1,200 to Tk 1,300 per maund. Aush, used to make puffed rice, flattened rice and sweet delicacies such as payesh, plays an important role in the rural economy. The photo was taken recently from Majhirgati Kola Bil at Terokhada upazila of Khulna.

PHOTO: HABIBUR RAHMAN

India will not 'bow down' Trade minister says on US tariff issue

AF, New Delhi

India will not "bow down" and instead focus on capturing new markets, trade minister Piyush Goyal said in his first public remarks since Washington imposed steep tariffs on Indian goods.

The 50 percent levies on many Indian imports into the United States took effect this week as punishment for New Delhi's massive purchases of Russian oil, part of US efforts to pressure Moscow into ending its war in Ukraine.

Since his return to the White House this year, US President Donald Trump has wielded tariffs as a wide-ranging policy tool, with the levies upending global trade.

Speaking at a construction industry event in New Delhi on Friday, Goyal said India was "always ready if anyone wants to have a free trade agreement with us".

But, he added, India "will neither bow down nor ever appear weak".

"We will continue to move together and capture new markets." The latest tariffs salvo from Trump has strained US India ties, with New Delhi earlier criticising the levies as "unfair, unjustified and unreasonable".

Trade talks between the two countries have stumbled over agriculture and dairy markets.

NBR to tighten scrutiny on TIN holders skipping tax returns

STAR BUSINESS REPORT

Holders of tax identification numbers (TINs) who fail to file tax returns will face stricter scrutiny by the National Board of Revenue (NBR).

NBR Chairman Md Abdur Rahman Khan recently instructed officials to issue notices to such taxpayers, investigate their income, expenditure and assets on-site, and impose taxes in accordance with the law.

He also directed that the outcomes be reported in monthly revenue meetings.

The directives came at separate monthly meetings of the NBR's Customs, VAT and Income Tax divisions for July of fiscal year

2025-26, on August 28 in Dhaka, according to a press release.

Rahman also stressed the need for enhanced intelligence activities across tax regions to identify evasion and accelerate tax collection by properly processing submitted returns.

Reviewing the revenue situation of the Customs and VAT divisions, the NBR chairman said trade facilitation and lawful revenue collection must be ensured.

He asked officials not to harass compliant importers and exporters by locking bins unnecessarily, and to explain the rationale for each action in revenue meetings.

He also ordered VAT registration for all entities required under law

and exemplary punishment for evaders.

On bond facilities, Rahman instructed that all activities be shifted online within a month, with accountability for service delays.

He also declared that bond licences of importers selling duty-free goods in the market will be cancelled, while officials involved in misuse will face action.

For income tax, he called for more manpower to assist taxpayers in e-return filing, quick settlement of audit cases, and linking eTIN with eTDS systems.

He emphasised transparency in audit selection and weekly monitoring of commissionerates to track non-filers, evasion cases and pending audits.

Bangladesh back

FROM PAGE B1
The record number of workers going abroad also boosted earnings, said the economist.

Bangladesh sent 11.96 lakh workers overseas in 2023-24, surpassing the previous record of 11.37 lakh in 2022-23, according to the Bureau of Manpower, Employment and Training (BMET).

A higher exchange rate offered additional incentives, but Hussain said the drop in money laundering had the greatest impact.

Thanks to the continuous rise in remittance inflow, the foreign exchange reserves have started to recover after the sharp decline a year earlier.

As of August 28, reserves (BPM-6) rose 23 percent year-on-year to \$26.19 billion, according to the central bank data.

Among South Asian countries, India has enjoyed strong and uninterrupted growth since the Covid pandemic. Remittances to India and Nepal dipped in 2020, while Pakistan, Bangladesh and Sri Lanka saw increases.

India's success is largely linked to efficiency gains from its stronger

technical education system, said Hussain.

Sri Lanka, in contrast, has experienced volatile flows over the past five years. In 2022, remittances nearly halved amid political turmoil but bounced back with a 58 percent surge in 2023 and a further 9 percent rise last year.

Measured against GDP, Nepal tops the region with remittances accounting for 33 percent, followed by Pakistan at 9.4 percent.

Bangladesh's remittance is 6 percent of its GDP, while it is 3.5 percent in India.

In 2010, Bangladesh's remittance share of its GDP was 9.4 percent but fell to 4.7 percent in 2022 before rebounding to 6 percent last year.

According to Bangladesh Bank, the strong performance in remittances was driven by competitive exchange rates and policy measures that encouraged transfers through official channels.

It cited a reduced gap between official and informal market rates, more attractive offers from banks, and a sharp fall in informal networks such as

hundi, according to its Quarterly Report on Remittance Inflows in Bangladesh: January-March FY25.

Hussain recommended that Bangladesh should focus on its initiatives so that money laundering does not return again, as it is the biggest reason for low remittance through formal channels. He also called for lower migration costs and an end to illegal "visa trading", which he described as a form of labour exploitation.

"This trading is not done by our companies but in other parts, so diplomatic steps are necessary," he said.

If a worker has to pay \$2,500 for a visa, it represents a huge loss for the labour export sector and foreign exchange earnings, he added.

The problem, the economist suggested, could be addressed through government-to-government agreements.

Lower migration costs and easier access to finance for low-income workers would encourage many to seek jobs abroad, further boosting remittance inflows, Hussain concluded.

entrants each year amid inadequate employment opportunities. If that happens, our domestic labour market will fail to expand further. This is an issue we must keep in mind."

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said, "If a foreign investor hears that trade unions can be formed with just 20 workers in Bangladesh, they may hesitate to invest or even mention our country."

He noted that in Vietnam, there is only one trade union per industry, tightly controlled at the highest level, yet workers retain rights. "We should not push our country toward a fragmented system like Cambodia."

Hatem said his association formally registered its objections in a note of dissent when the government signalled it might act unilaterally.

"Current labour laws mainly regulate the formal sector and do not directly cover informal workers; other laws offer only partial or indirect protection," he said.

The MCCI president said, "So, overly rigid labour laws could discourage both local and foreign investors, at a time when our economy is not yet comparable," added Rahman.

Bangladesh has a workforce of about 6.5 crore. Around 1.2 crore are in formal jobs, while most remain in the informal sector.

"What stands out is that with the rise of online and digital transactions, the draft has attempted to include and expand relevant provisions. Some definitions have been extended, but from a broader perspective of rights protection, major areas still need attention," Moazzem, research director at the Centre for Policy Dialogue, told The Daily Star.

Referring to global practices in countries like India, Sri Lanka, Thailand, and Vietnam, he said Bangladesh has an opportunity to

Govt moves to amend

FROM PAGE B1
The draft framework also reduces penalties in some areas.

Filing a false, harassing complaint or lawsuit against a trader or service provider with the intention of causing harassment, public humiliation, or business loss, which currently carries a maximum of three-year imprisonment, would be lowered to one year, though fines could rise to Tk 2 lakh from Tk 50,000.

In addition, a newly added subsection states that if any person obstructs the prevention of anti-consumer practices or the settlement of complaints arising from violations of consumer rights, they could be punished with imprisonment for up to two years, or a fine of up to Tk 3 lakh, or both under the proposed law.

The draft further states that if a person illegally engages in activities that may endanger the life or safety of a product or service recipient, they could face two-year imprisonment, or a Tk 3 lakh fine, or both.

Under the current law, the punishment is maximum imprisonment for up to three years, or a fine of up to Tk 2 lakh or both.

Speaking to The Daily Star on August 28, Mohammed Alim Akhter Khan, director general of the DNCRP, said the initiative to update and modernise the law has been taken with the broader interests of consumers in mind.

"A thorough review of the law revealed fundamental flaws," he said.

Policy expert Khondaker Golam Moazzem noted that while the draft makes some progress, fundamental reforms have been limited.

"What stands out is that with the rise of online and digital transactions, the draft has attempted to include and expand relevant provisions. Some definitions have been extended, but from a broader perspective of rights protection, major areas still need attention," Moazzem, research director at the Centre for Policy Dialogue, told The Daily Star.

Referring to global practices in countries like India, Sri Lanka, Thailand, and Vietnam, he said Bangladesh has an opportunity to

view consumer rights more broadly.

"As the economy expands, various new types of transactions arise that need protection. While the draft addresses digital transactions, the definition of a consumer still largely focuses on end-consumers."

"In other countries, consumers can be anyone at any stage, including in peer-to-peer transactions. Issues such as fraud, forgery, cheques, and contracts are also considered under consumer rights elsewhere," he stated. Given this, he said a large-scale amendment would be timely, taking global good practices into account.

He noted that operational structures differ by country.

For example, he said some have a board led by a ministerial-level official with an advisory council. Consumer rights activities there encompass investigation, monitoring, enforcement, research and development, data collection, and analysis.

"In Bangladesh, the institutional structure remains highly bureaucratic, led by the secretary and joint secretary of consumer affairs, with a few private-sector representatives and academics on committees," said the policy expert.

"In contrast, other countries have boards and councils that handle day-to-day monitoring, investigation, and decision-making without waiting for ministerial meetings. Accountability is often placed with the parliament, allowing independent operation," he added.

A nine-member committee was formed on March 27 to review and amend the law.

The panel includes Supreme Court lawyer Barrister Jyotirmoy Barua, officials from the Ministry of Commerce, representatives of the Consumers Association of Bangladesh (CAB), the Federation of Bangladesh Chambers of Commerce and Industry, and other key stakeholders.

The draft has been sent to the Ministry of Commerce for further review.

SM Nazer Hossain, vice-president of the CAB, welcomed the proposed changes, saying they had long been demanding such amendments

Gold on track for best month since April

REUTERS

Gold prices rose around 1 percent on Friday and were poised for their best monthly performance since April, as US inflation data reinforced expectations that the Federal Reserve could cut interest rates next month.

Spot gold was up 0.8 percent at \$3,443.19 per ounce, as of 1:53 p.m. ET (1753 GMT), its highest level since July 17. Bullion has gained 4.7 percent in August. US gold futures for December delivery settled 1.2 percent higher at \$3,516.1.

The dollar held steady, but was set for a monthly drop of 2.2 percent. A lower dollar makes gold less expensive for overseas buyers.

US consumer spending increased solidly in July while underlying inflation picked up as tariffs on imports raised prices of some goods. The US Personal Consumption Expenditures Price Index rose 0.2 percent month-on-month, and was up 2.6 percent on a year-on-year basis, both in line with expectations.

"We have expectations of a Fed rate cut, or potentially two, throughout this year, which is generally supportive for commodity prices across the board, including gold and silver," said David Meger, director of metals trading at High Ridge Futures.

to make the law more up to date. "Finally, the government is moving forward with it."

He said, "In the current law, several provisions regarding online business operations were not clearly defined. The draft has addressed this, which is a positive step."

However, he cautioned that merely increasing fines and extending jail terms will not bring a real solution. "The DNCRP must be genuinely strengthened."

Ctg port slips

FROM PAGE B1
reduced container traffic in 2020 when the Covid-19 pandemic severely impacted garment exports.

The port ranked 58th in the 2020 edition, 64th in 2019, 70th in 2018, 71st in 2017, 76th in 2016, 87th in 2015, and 86th in 2014.

Contacted, Chittagong Port Authority (CPA) Secretary Md Omar Faruk said they have yet to receive the detailed report from Lloyd's List.

Port users, however, said the Lloyd's List ranking is based solely on container handling volume and does not reflect a port's overall performance.

Patented

FROM PAGE B1
He added that boosting investment is vital.

"Investors seek the assurance of a stable government. Therefore, a good election held on time will bring back stability to the country," he said.

Rahman further stressed that producing raw materials for medicines at the Active Pharmaceutical Ingredient (API) park is crucial for local drug makers to withstand post-graduation challenges. However, progress at the park, initiated in 2012, has been very sluggish.

He also highlighted the need to restore discipline in the financial sector. He said the actual amount of default loans is Tk 500,000 crore, although the previous government reported the figure at Tk 122,000 crore.



Johan Buse

MAHMUDUL HASAN

The telecom industry of Bangladesh is caught in a paradox. It is indispensable to the country's digital ambitions, yet weighed down by regulatory complexity, high taxation and market fragmentation, according to Johan Buse, chief executive officer of Banglalink.

"If you look at what the regulator is doing and some of the proposed changes, it actually really looks like people are trying to make a change," he said in an interview with The Daily Star.

"But if you take a few steps back, history will tell you it is a highly fragmented, complicated market, highly taxed," added the CEO of the country's third-largest operator. "Basically, not a place you want to be, I guess. Which is sad. That is the word I always use, it is sad and it is unnecessary."

The telecommunications sector in Bangladesh now faces a tax rate of 56 percent. This rate far exceeds that of neighbouring India, where the tax is around 25 percent. The rate is 35 percent in Sub-Saharan Africa, 24 percent in the Middle East and North Africa, and 24 percent in the Asia Pacific region. The average rate is 21 percent in Europe and 18 percent across Latin American countries.

Buse, who joined Banglalink from Singapore's StarHub where he led the Consumer Business Group, has decades of experience across Europe, Asia and

years ago. Today, it is a paperless digital hub where everything is app-based.

This digital transformation, he said, creates efficiency, ensures traceability and ultimately generates more taxable income.

Buse said Banglalink has invested heavily in building the digital backbone of Bangladesh.

"Over our past 20-year journey, Banglalink has made an overall investment of \$2.5 billion," he said, adding that \$300 million went into expanding the 4G network in the last four years.

For him, 4G is the real game changer. "...Because it provides the kind of speed and latency that enables people to do everything on their smartphones today."

The company's commitment, he said, is to bridge the digital divide. The CEO cited the

On the shrinking customer base of Banglalink, Buse said the company chose to focus on quality subscribers rather than chasing inflated numbers.

"There is this myth that we have 180 or 190 million subscribers. We do not," he said.

"The real number of users is more between 70 and 90 million. Last year, we consciously decided not to go after what we call rotational churn, the washing machine. This is the only country I know that has a SIM card tax. No other country charges for a SIM. It is unbelievable."

Taxation, Buse believes, is the biggest obstacle.

"The total tax burden for the industry is around 56 percent. If a customer pays us Tk 139, we are left with between

Tk 50 and Tk 60. That is a world record high for tax and a world record low for operators. That

initiatives going in the right direction, reducing fragmentation, improving quality, and recognising that telco is a scale business. That is positive."

On significant market power (SMP) regulation, he called for fairness.

"SMP should be tackled first. Number one, get the whole taxation regime sorted in a way that is attractive. Second, SMP is linked to fragmentation again. Create a framework where the smaller telcos have a viable chance to dip into the profit pool. It is not good for the country that one operator has 90 percent of the profit pool if you want to create competition."

Turning to Banglalink's digital ambitions, the CEO said they are certainly planning to venture into digital financial services.

"Half of Bangladesh is not banked. In our group, we have a proven track record in three countries, including Pakistan, where it even helped the government increase tax collection. So yes, we will pursue it."

He pointed to Banglalink's existing digital platforms.

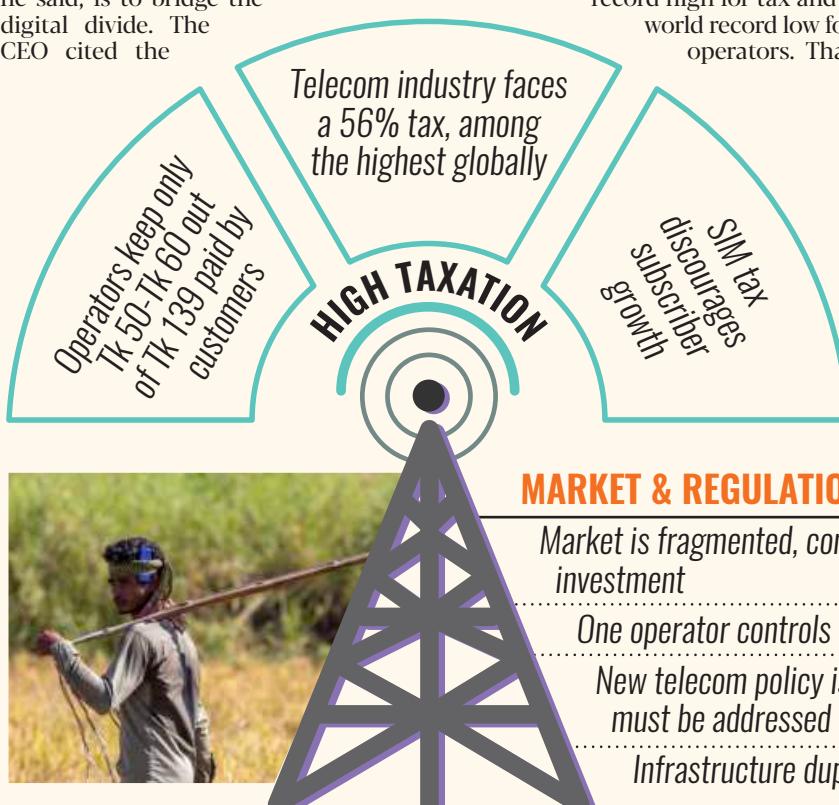
"Toffee is today the leading local OTT platform. We invested a lot in acquiring sports rights. My strong plea to linear channels is to wake up. Entertainment needs eyeballs. Look at people below 25, they do not watch linear channels anymore. They are on apps, YouTube, TikTok. If you protect your turf instead of sharing, you will get yourself out of

DIGITAL GROWTH & SERVICES

4G is the real game changer, not 5G

Banglalink invested \$2.5b over 20 years

It plans to expand into digital financial services



MARKET & REGULATION

Market is fragmented, complicated, and unattractive for investment

One operator controls 90% of profits, creating an imbalance

New telecom policy is a positive step, but SMP and fairness must be addressed

Infrastructure duplication across operators is wasteful

the Middle East. He previously worked at Ooredoo Oman as chief commercial officer and held senior roles at Deutsche Telekom, Croatia, AXIS and Singtel.

Now at Banglalink, he said he faces the challenges of a market in transition, shaped by political shifts and regulatory change. "I think the telecom landscape here is in transition."

According to him, the role of telecommunications is no longer just about being an industry in its own right but enabling broader communication.

"In the good old days that was just 'hello, hello'. But today that is much more, we facilitate data connectivity. The real role has expanded from just connecting people via voice to connecting businesses, connecting devices. Because if you connect telco, data, cloud and AI, all of a sudden, the world starts looking very different."

Drawing a comparison with Singapore, he said the country had little to offer except for its fish industry 50

role of technology in classrooms abroad.

In South Korea and northern China, a lot of classrooms are fully digital. No chalkboard anymore, just whiteboards, cheap tablets, everything centralised and traceable. The teacher communicates directly with the child through devices. That is the future.

And that is why we are here, to make sure anyone has access to the internet and data connectivity for a better life."

He said the reality for operators in Bangladesh is currently challenging. The first quarter of this year was "gloomy", Buse said, as customer numbers fell.

"The total sector has been declining in revenue since last year. That is partly due to changes in taxation and regulatory issues, which pushed us down as an industry," he said.

Still, he believes confidence is returning. "There are some positive trends coming to the industry."

is an issue."

The CEO said such burdens make investment difficult.

Expanding a 4G network usually costs \$300-\$400 million a year, which the CEO called a "serious" commitment. "But regulatory imbalance has left one operator dominating profits."

"In every country, there is always a number one operator with around 50 percent of the market. But never have I seen before that they have 90 percent of the profit. That is the issue here."

Buse said, "If that persists, the other operators have a very difficult conversation with their investors. We are all part of international groups. Investment goes where returns are best. Bangladesh needs to make itself more attractive as an investment destination."

On the government's new telecom policy, Buse was cautiously optimistic. "The positive baseline is that, finally, there is action taken. There are

business."

The company has also launched RYZE, an AI-powered youth-focused lifestyle app.

"This generation aged between 15-29 years makes up nearly a third of Bangladesh's population, an incredible source of energy, creativity, and potential. At Banglalink, we believe the youth deserve more than just connectivity, they deserve access to the right tools to thrive in a digital world. That is why we launched RYZE, a youth-focused brand that empowers young minds with AI-powered solutions and seamless digital access."

On infrastructure, he argued against duplication.

"It is ridiculous that every telco builds its own infrastructure. It is like every airline building its own airport terminal. Pan American World Airways did that once in the 60s, and it failed. The same logic applies here," added the CEO.

Japan pledges \$68b investment in India

AFP, Tokyo

Japan pledged Friday to invest \$68 billion in India during a visit by Prime Minister Narendra Modi to Tokyo, as the two countries agreed to deepen security ties.

"India's massive market is so full of potential that incorporating its vibrancy will help drive the growth of Japan's economy," Japanese Prime Minister Shigeru Ishiba told reporters.

Bilateral trade is currently worth over \$20 billion annually, heavily favouring Japan.

Speaking during Modi's two-day stopover before he visits China, Ishiba said Japan would boost investment in India to 10 trillion yen (\$68 billion) and would establish a cooperation initiative focusing on semiconductors and AI.

The two sides also pledged to bolster security cooperation, with Kyodo news agency reporting that the two had agreed to expand drills between Japan's Self-Defense Forces and the Indian Armed Forces.

The nations also expressed "serious concern" over the situation in the East China Sea and the South China Sea, in a separate joint statement, according to Kyodo.

"As the international situation grows more and more uncertain, Japan and India must join hands for the sake of peace and stability of the region," Ishiba told reporters.

Modi said that "India and Japan are fully committed to a free, open, peaceful, prosperous and rules-based Indo-Pacific".

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US appeals court finds Trump's global tariffs illegal

AFP, Washington

A US appeals court on Friday ruled that many of President Donald Trump's tariffs, which have upended global trade, were illegal – but allowed them to remain in place for now, giving him time to take the fight to the Supreme Court.

The 7-4 ruling by the US Court of Appeals for the Federal Circuit affirmed a lower court's finding that Trump had exceeded his authority in tapping emergency economic powers to impose wide-ranging duties.

But the judges allowed the tariffs to stay in place through mid-October – and Trump swiftly made clear he would put the time to use.

The appeals court "incorrectly said that our Tariffs should be removed, but they know the United States of America will win in the end," he said in a statement on his Truth Social platform lashing out at the ruling.

He added that he would fight back "with the help of the United States Supreme Court."

The decision marks a blow to the president, who has wielded duties as a wide-ranging economic policy tool.

It could also cast doubt over deals

Trump has struck with major trading partners such as the European Union, and raised the question of what would happen to the billions of dollars collected by the United States since the tariffs were put in place if the conservative majority Supreme Court does not back him.

Friday's case, however, does not deal with sector-specific tariffs that the Trump administration has also imposed on steel, aluminum, autos and other imports.

Since returning to the presidency in January, Trump has invoked the International Emergency Economic

Powers Act (IEEPA) to impose "reciprocal" tariffs on almost all US trading partners, with a 10 percent baseline level and higher rates for dozens of economies.

He has invoked similar authorities to slap separate tariffs hitting Mexico, Canada and China over the flow of deadly drugs into the United States.

The Court of International Trade had ruled in May that Trump overstepped his authority with across-the-board global levies, blocking most of the duties from taking effect, but the appeals court later put the ruling on hold to consider the case.

Friday's ruling noted that "the statute bestows significant authority on the President to undertake a number of actions in response to a declared national emergency, but none of these actions explicitly include the power to impose tariffs, duties, or the like, or the power to tax."

It added that it was not addressing if Trump's actions should have been taken as a matter of policy or deciding whether IEEPA authorizes any tariffs at all.

Instead, it sought to resolve the question of whether Trump's "reciprocal" tariffs and those imposed over trafficking



US President Donald Trump displays a signed executive order imposing tariffs on imported goods during a "Make America Wealthy Again" trade announcement event in the Rose Garden at the White House in Washington, DC.

BUSINESS

Who should be a bank CEO?

MAMUN RASHID

I was 40 when I became the youngest chief executive officer in a commercial bank in Bangladesh, and that too in a top global institution. Until then, my career had been rooted largely in Treasury, a function that demands an intimate grasp of liquidity, balance sheets and risks that are often invisible yet decisive for survival.

Those years taught me that leadership in banking is not only about growth but also about anticipating risks, preparing for volatility, and balancing ambition with prudence. I had also built my name in loan restructuring and recoveries, financial institutions risk management, and corporate and investment banking at home and abroad. Looking back, I often ask: if I were to scan the banking landscape of Bangladesh today, where should the next generation of CEOs come from?

The question has become even more relevant as the central bank has recently forced to intervene in and restructure several troubled banks. A recurring theme in many of these cases is not only mismanagement but also a lack of leadership that understood risk. Too many of our CEOs did not come from risk-oriented functions, and it shows.

In banking, risk is not a department; it is the bloodstream that runs through every decision. If a leader cannot see how a credit decision today may become tomorrow's default, or how liquidity mismatches can spark crises, then the institution is exposed long before the headlines arrive.

Does this mean our future leaders should all come from credit? There is a strong case. Credit officers understand the fundamentals of lending, the heart of traditional banking. They assess business models, gauge repayment ability, and structure deals that align incentives. Yet there is a danger too. If the leadership pipeline is dominated by credit specialists, we risk risk-aversion as the default posture, choking innovation and growth in an economy

that badly needs both. Credit is foundational, but without the ability to see beyond balance sheets into new opportunities, a CEO may spend their career on the defensive.

What about corporate bankers, those who have grown up in relationship-driven businesses, connecting with large clients and managing portfolios that keep banks profitable? They bring scale, negotiation skills and an instinct for how markets breathe. But their training often emphasises revenue generation over institutional resilience. Without a grounding in risk or treasury, they may be tempted to chase short-term gains while overlooking structural vulnerabilities.

Balance sheet specialists, on the other hand, deserve more attention in this debate. Banks are first and foremost custodians of balance sheets. A leader who can read liquidity gaps, interest rate exposures, capital adequacy and systemic vulnerabilities with fluency is less likely to be caught off guard. Treasury, where I began, forces you to see the institution as a single organism whose survival depends on liquidity and prudence.

Banking, however, is no longer only about credit, deposits or even balance sheets. The future of the industry will be shaped by technology, artificial intelligence and data-driven decision-making. Already, fintechs are redefining customer expectations, and central banks are experimenting with digital currencies. The next generation of CEOs cannot afford to ignore these trends. Visionaries who can marry technology with banking fundamentals will be the ones to lead institutions forward. In an emerging world of personal wealth management, retail banking competency will also carry weight.

So where should our CEOs come from? The answer may not be a single department but a mindset. The next wave of leaders must combine the prudence of credit, the foresight of treasury, the customer focus of corporate banking, an understanding of wealth concentration, and the imagination of technology. Leadership in banking is not about being the smartest person in the room but about seeing the whole chessboard, anticipating moves before they come, and preparing institutions to weather both storms and seasons of growth.

The writer is the chairman of Financial Excellence Ltd

PHOTO: AFP/FILE

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BUSINESS

PLUS

BANKING ON SUSTAINABILITY

How Bangladesh is Building a Greener Future

PRIYAM PAUL

Sustainable finance is emerging as a defining theme for the banking industry in Bangladesh, a country that is acutely vulnerable to the impacts of climate change. Recognising this urgency, Bangladesh Bank introduced the sustainability rating system in 2020. According to the central bank's Sustainability Finance Report 2024, ten private commercial banks and two financial institutions have been rated as sustainable financial institutions. The evaluation is based on five key indicators: the Sustainable Finance Index, CSR activities, green project financing, the Core Banking Sustainability Index, and Banking Services Coverage.

"Sustainable finance is quality finance where the process duly

honours the environment and society. It is an important aspect of the banking sector itself—for the banks' own health—by keeping the rate of non-performing loans low, maintaining depositors' confidence, and supporting SMEs, the true drivers of enterprise in the country," explains Prof Dr Mainul Islam, former professor of economics at Chittagong University.

He elaborates that sustainable finance includes financing key sectors such as agriculture, ensuring inclusive financing for CMSMEs and low-income groups, promoting green financing, maintaining transparency, and engaging in philanthropic activities. In this regard, he stresses the need for greater participation from banks, pointing out that sustainable finance in Bangladesh has

so far not developed a negative track record.

The central bank's Quarterly Review Report on Sustainable Finance shows encouraging growth. During January–March 2025, the total contribution of Green Finance by banks and financial institutions stood at BDT 8,763.47 crore, an increase of BDT 117.78 crore from the October–December 2024

SEE PAGE J2



ILLUSTRATION: EARTH

 Prime Bank


BEST BANK FOR ESG BANGLADESH 2025

Global Business and
Finance Magazine
Awards 2025

BEST SUSTAINABLE BANK BANGLADESH 2025

Global Excellence
Chronicle Magazine
2025



MOST SUSTAINABLE BANK BANGLADESH 2025

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Award 2025

BEST BANK FOR ESG EXCELLENCE

Bangladesh 2025
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Bangladesh Bank for
3 consecutive years

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Empowering women entrepreneurs and SMALL BUSINESSES

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Tareq Refat Ullah Khan (TRUK): The current stage of sustainable banking, not only in Bangladesh but globally, is still in its early and evolving phase. However, Bangladesh is ahead of many countries in terms of

bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

TRUK: BRAC Bank has attractive financing options for both green and sustainable projects. On the green side, we actively utilise Bangladesh Bank's refinancing schemes such as the Green Transformation Fund (GTF), the Refinance Scheme for green products, projects and initiatives, and the Technology Development Fund (TDF). These facilities enable us to support projects in renewable energy, green and environment-friendly

and low-income professionals.

It is worth noting that BRAC Bank has consistently been recognised for its leadership—achieving the highest Bloomberg ESG rating among all organisations in Bangladesh in the recent Bloomberg ranking and being ranked by Bangladesh Bank as one of the top sustainable banks five times in a row.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

TRUK: At BRAC Bank, sustainability is embedded in our DNA, not an afterthought. We are introducing various innovative sustainable finance instruments, including a Social Bond that will be issued in line with ICMA Principles. On the customer

promoting sustainable banking practices?

TRUK: The biggest challenge is creating awareness among businesses and customers about the importance of sustainable finance. Many still view green initiatives as costly, especially since the upfront investment for green technologies is higher compared to conventional alternatives. There are also knowledge and capacity gaps when it comes to applying international best practices, and the shortage of skilled manpower in this area remains a barrier.

That said, BRAC Bank has consistently led the way. We were the first bank in Bangladesh to publish an ISSB-aligned IFRS S1 and S2 report.

TDS: What are your bank's future plans to advance sustainable banking, and what support do you

TDS: How do you create impact on people's lives through corporate social responsibility?

TRUK: BRAC Bank draws inspiration from its founder, Sir Fazle Hasan Abed, to drive its CSR initiatives. Sir Abed established BRAC after our independence, and since then BRAC has worked tirelessly to remove barriers to national development. As a member of the BRAC family, BRAC Bank aims to uphold the same values in its CSR programmes. We believe that everyone deserves to lead a meaningful life. Our core CSR priorities span healthcare, education, the environment, and climate change, with programmes supporting rural women's scholarships, disability-inclusive healthcare, and climate-smart farming with safe water access.



TAREQ REFAT ULLAH KHAN

Managing Director & CEO (Current Charge), BRAC Bank

regulatory frameworks. Bangladesh Bank has been a pioneer in introducing a Sustainable Finance Taxonomy, Environmental & Social Risk Management (ESRM) Guidelines, and directives aligned with IFRS S1 and S2 standards.

At BRAC Bank, our sustainable finance portfolio stands at 82%, with 20% dedicated to green finance, reflecting our strong alignment with the regulator's priorities. While more awareness and capacity-building are required, from a policy standpoint Bangladesh is already at the forefront of sustainable banking initiatives.

TDS: What sustainable financing/refinancing schemes does your

establishments, energy efficiency, and effluent/water treatment plants—helping businesses adopt cleaner and more sustainable practices.

As the largest SME bank in Bangladesh, we are also one of the most active participants in SME refinancing. We channel funds through schemes such as the Tk. 25,000 crore Pre Finance Facility (SMFLR), the TARA Refinance Scheme for Women Entrepreneurs, Agro Processing Refinance, New Entrepreneur Refinance, and the Low-Income Professionals Facility. In addition, we access specialised programmes such as the ADB-supported and SME Foundation funds, which allow us to reach women entrepreneurs, new business starters, agro based industries,

side, our mobile-based platforms Astha and CorpNet have transformed the way people bank, enabling over 10 lakh customers to transact digitally. This has reduced paper use, minimised the need for branch visits, and lowered travel-related greenhouse gas emissions.

Within our operations, we have converted all offices to LED lighting, installed solar panels in selected branches and ATMs, and implemented a Green Office Guideline to ensure energy and resource efficiency. Our Sustainability Report reflects these efforts and includes detailed GHG emission calculations, aligned with global standards such as PCAF, GRI, and ISSB.

TDS: What challenges has your bank encountered in adopting and

seek from the government?

TRUK: Looking ahead, BRAC Bank plans to expand its green and sustainability-linked financing portfolio further, including the issuance of more bonds to mobilise funds for climate-friendly projects. We will also continue to scale up digital banking solutions and adopt measures to reduce our own operational carbon footprint.

From the government, we seek broader policy incentives and fiscal support that will encourage both banks and businesses to adopt sustainable practices. Incentives such as tax benefits, subsidies, and expanded refinancing schemes would accelerate the transition to a greener economy and strengthen Bangladesh's leadership in sustainable finance.

By combining the green and SME refinancing windows, BRAC Bank not only promotes environmentally responsible enterprises but also ensures inclusive access to finance for small businesses and women entrepreneurs across the country.

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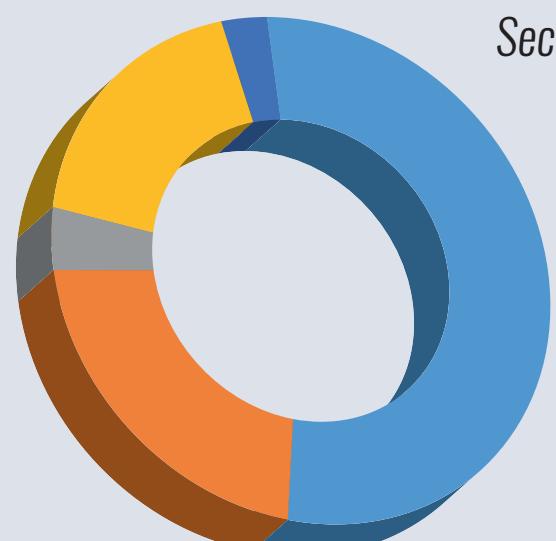
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INVESTING RESPONSIBLY UNDER BANGLADESH BANK'S ESRM GUIDELINE

Banking on Sustainability

Sector-wise Distribution of Borrowers in Sustainable Finance (in %)



FROM PAGE J1

towards environmentally and socially desirable goals. It leads all stakeholders and aims to create an inclusive and greener economic and environmental system," states Ahsan Zaman Chowdhury, Managing Director & CEO of Trust Bank PLC.

Banks are also transforming their operations internally, moving towards energy-saving practices such as efficient power management, waste reduction, and the integration of renewable energy.

United Commercial Bank (UCB) has taken a lead role. "UCB has established 50 Sustainable Finance Help Desks strategically located across the country. These are managed by a dedicated Sustainable Finance Unit that assists clients in navigating green finance options, refinancing facilities, and structuring environmentally responsible projects. This proactive outreach embeds sustainability into both our corporate and retail

lending portfolios," notes Mohammad Mamdudur Rashid, Managing Director & CEO of UCB.

Prime Bank has focused on digitalisation. "Through initiatives like paperless transactions, e-statements, mobile apps, card-based services, and agent banking, we are actively reducing paper consumption and energy use—making banking not only smarter but also greener," says Md Ziaur Rahman, DMD & CRO of Prime Bank.

Mutual Trust Bank (MTB) has pioneered sectoral green financing. "We currently offer 94 green products across 14 sectors, including green buildings, effluent treatment plants (ETPs), renewable energy, and energy-efficient

machinery. Beyond corporates, we also cater to retail clients with innovative solutions," shares Syed Mahbubur Rahman, Managing Director & CEO of MTB.

BRAC Bank, too, has made notable progress. "Our sustainable finance portfolio is 82%, with 20% dedicated to green finance, reflecting strong alignment with the regulator's priorities," says Tareq Refat Ullah Khan, Managing Director & CEO (Current Charge) of BRAC Bank PLC.

SEE PAGE J3



Sustainability at the core of OUR STRATEGY

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Mashrur Arefin (MA): Over the past decade, Bangladesh's sustainable and green banking landscape has improved significantly, led by Bangladesh Bank's pioneering policies and clear mandates. The central bank has provided strong guidance on green and sustainable finance taxonomy, disbursement targets, Environmental and Social Risk Management (ESRM), and sustainability and climate-related disclosures—all of which have shaped the national sustainable finance framework.

Regulations requiring banks to allocate at least 5% of the previous year's net outstanding to green finance and 40% to broader sustainable finance, together

with robust ESRM practices, have built strong momentum across the sector. Since 2021, the industry has steadily grown, channelling billions of taka into renewable energy, energy efficiency, green buildings, sustainable agriculture, and more. In 2024 alone, banks and NBFIs disbursed BDT 30,653 crore as Green Finance and BDT 45,483 crore as Sustainable Finance, compared to BDT 19,304 crore and 197,369 crore respectively in 2023.

Another major step has been banks beginning to measure their GHG emissions and, in line with Bangladesh Bank's guidelines, reporting sustainability and climate-related disclosures aligned with IFRS SI and S2.

TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other

City Bank offers a comprehensive range of sustainable and green financing products, fully aligned with Bangladesh Bank's Sustainable Finance Taxonomy. For us, sustainability is not an add-on—it is central to our business strategy. In 2024, 88% of our total loans went to sustainable sectors, with Green Finance accounting for 34% of total term loan disbursements.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

MA: City Bank is proud to be the first Bangladeshi bank to join the UNEP FI-convened Net-Zero Banking Alliance (NZBA). Our Net Zero Emission Target Setting Disclosure sets out a clear roadmap for Bangladesh's transition to a low-carbon economy, with sector-specific emission

and Social Due Diligence under our ESRM policy. Beyond assessments, we actively engage clients through awareness and capacity-building programmes to encourage greener practices and align with Bangladesh's emission reduction goals.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

MA: Our sustainable banking journey has been rewarding but not without challenges. Awareness of green transformation is still limited, particularly outside

contributing meaningfully to Bangladesh's green transition.

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

MA: Our future plans, aligned with Bangladesh's NDCs, NAP, Renewable Energy Policy 2025, and global goals like the SDGs and Paris Agreement, focus on expanding green finance into renewable energy, energy efficiency, electric mobility, climate-resilient agriculture, and green housing. We will strengthen ESG risk



MASHRUR AREFIN

Managing Director & CEO, City Bank

management, build client capacity, use digital tools for impact monitoring, and further cut our own footprint through renewables, paperless banking, and better waste management.

We aim to expand concessional loans and launch products such as ESG-linked loans to reward emission-reducing businesses. Dedicated Sustainable Finance Help Desks, particularly in rural areas, will guide clients, boost inclusion, and channel funding into responsible projects. To accelerate progress, we seek government policy support, more concessional funding, and easier access to global climate finance through blended models and partnerships with the Green Climate Fund and multilateral banks.

City Bank has financed the country's largest wind power plant in Cox's Bazar with 60 MW capacity. Another notable example of its green financing is a concessional loan to a Jashore-based waste management company that processes municipal solid waste and produces organic fertilisers.

environmentally responsible enterprises?

MA: To support SMEs, women entrepreneurs, and environmentally responsible businesses, we help them access low-cost loans offered by Bangladesh Bank, as well as concessional financing for projects that are environment-friendly or that address climate resilience and disaster management. Through City Alo, City Bank's dedicated division for women entrepreneurs, we provide financial literacy programmes, capacity-building initiatives, and networking opportunities—alongside low-interest loans and access to refinance facilities. We also assist eligible clients in accessing three major refinance schemes from Bangladesh Bank.

reduction targets for 2030 and the ultimate goal of net-zero by 2050, in line with the Paris Agreement and NZBA commitments.

Recognising the importance of managing our carbon footprint, we have put in place structured initiatives to measure direct (Scope 1) and indirect (Scope 2 and 3) emissions, guided by global best practices. A dedicated internal team of Environmental & Social (E&S) specialists, engineers, and finance professionals leads the complex task of calculating, monitoring, and reporting our GHG emissions.

As a financial institution, our own operational footprint is relatively small. The bulk of our GHG emissions come from financed activities, which is why every loan proposal undergoes strict Environmental

corporate clients. Data gaps in financed emissions and sector performance, shortages of capacity in risk and technology appraisal, and a thin pipeline of bankable green projects (particularly in renewable energy and resilient infrastructure) remain hurdles. SMEs often struggle to present viable proposals, while concessional funds and climate finance fall short of demand.

Balancing commercial viability with long-term environmental and social impact also requires deep client engagement and tailored financing.

Yet we see these challenges as opportunities for innovation. By building capacity, improving ESG data, strengthening partnerships, and working closely with clients, we are confident of scaling sustainable banking and

Banking on Sustainability

FROM PAGE J2

"Within our operations, we have converted all offices to LED lighting, installed solar panels in selected branches and ATMs, and implemented a Green Office Guideline to ensure energy and resource efficiency. Our Sustainability Report reflects these efforts and includes detailed GHG emission calculations, aligned with global standards such as PCAF, GRI, and ISSB," adds Tareq.

Pubali Bank is prioritising CMSMEs. "Last year, 88% of our sustainable finance investments went to CMSMEs. We are consciously shrinking corporate loans to better support real entrepreneurship," notes Md Mohammad Ali, Managing Director & CEO of Pubali Bank.

City Bank has made significant contributions to renewable energy. "We financed the country's largest wind power plant in Cox's Bazar with 60 MW capacity, and provided concessional loans to a Jashore-based waste management company. City Bank also operates 38 solar-powered branches and has introduced rainwater harvesting at multiple sites," shares Mashrur Arefin, CEO of City Bank.

Sustainable and green banking remains a top priority

in Dutch-Bangla Bank's decision-making process, said Abul Kashem Md Shirin, Managing Director and CEO of the bank. He noted that the bank places particular emphasis on CMSMEs and

with a strong focus on energy efficiency and renewable energy.

To better understand its environmental impact, Dutch-Bangla Bank has engaged external experts to measure its carbon footprint. Shirin explained that the bank is addressing Scope 1 and Scope 2 emissions by promoting the use of energy-saving lighting and equipment across its operations. On Scope 3 emissions, he added, the bank is encouraging clients to invest in renewable energy and energy-efficient technologies to reduce reliance on fossil-fuel-based machinery.

Trust Bank has expanded rural initiatives. "We financed 2,934 biogas plants and established 'Trust Bank Solar Village' in Jhenaidah. By the end of 2024, our sustainable finance outstanding stood at BDT 148,454.80 million," notes Ahsan Zaman Chowdhury.

Shahjalal Islami Bank (SJIB) is implementing strict compliance measures. "We do not finance vehicles over five years old or brickfields, and we are committed to financing renewable energy, waste management, green buildings, and energy-efficient machinery," says Mosleh Uddin Ahmed, Managing Director of SJIB.

SEE PAGE J4



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TOP SUSTAINABLE BANK IN BANGLADESH

NCC BANK IS HONORED TO BE RECOGNIZED AMONG THE TOP BANKS IN THE "SUSTAINABILITY RATING 2024" BY THE BANGLADESH BANK

Sustainable Finance, ACCESSIBLE TO EVERYONE

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Mohammad Ali (MA): I believe the sustainability rating system has been both beneficial and important for banks as well as for the



environmentally responsible enterprises?

MA: Our sustainable and green finance is accessible to all. However, in our economic context, we want to work with women — that is the most important aspect. One positive development is that in almost every institution we see, if there are four directors,

at least one is a woman. On average, this is happening more often. Sometimes, we may

— whether it is energy saving, tree preservation, soil conservation, or reducing carbon emissions — plays a role everywhere.

Our sustainable finance involves a huge investment. I have seen that over 88% of investments under sustainable finance last year went to CMSME. We are reducing corporate loans.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

MA: At present, we have actually insured the carbon aspect for all of our

their purpose.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

MA: The real major challenge was to spread the concept of green or sustainability among everyone, to bring about a change in mindset. Our current mindset is to wake up in the morning and think only about the customer's business. Alongside that business thinking, there is also the matter of excellence for us.

Now, if someone is doing branch banking and tell them, "Go to your college or university and talk to the teachers to

country. It also builds a strong image among stakeholders. Foreign partners who finance us also want to see whether we rank well in sustainability ratings. Many investors interested in green finance — such as green buildings or green factories — feel reassured when they see that we meet sustainability standards. This shows that we are aligned with Bangladesh's green finance practices, making it easier to bring such relationships up to international standards.

TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other

think these are not necessarily women entrepreneurs, but we are now seeing greater participation of women.

The reason is that after the first generation, the next generation — both sons and daughters — have stepped in. In many cases, wives have also begun active participation. I think this is a good sign.

In the case of SMEs, they too need to align more with green financing, because they operate all across Bangladesh. They work in clusters — where there are shoe factories, they are all together; where there is handicraft production, they are based there as well. So, if you can bring SMEs under green financing, you actually reach the marginal population. This concept of green and sustainability

establishments. In other institutions, carbon management is not being carried out, but what we have done is appoint environmental scientists with relevant educational backgrounds, both at the head office and branch levels, so that they can perform this work.

Several other initiatives have also been taken, such as planting over 28,000 trees in the coastal belt. We planted 2,800 of those this year, and this effort is continuing. This year alone, in just three districts, we plan to plant 12,000 to 15,000 more trees. Through such initiatives, we are laying a foundation so that in five or six years, when these trees start absorbing carbon, they will serve

see if trees can be planted there," they might think, "Instead of focusing on my business, Sir is sending me to plant trees." But this change of mindset is extremely important. You cannot force people to do these good works; they must be motivated to do so willingly.

Our ultimate goal is to make Bangladesh "liveable," which is a critical concern. I often emphasise that if a sector is categorised as environmentally risky — whether moderately or highly — under Bangladesh Bank guidelines, international directives, or IFC standards such as BIR, we will not invest there. Our investments are directed only towards low-risk areas.

MOHAMMAD ALI
Managing Director and CEO of Pubali Bank

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

MA: We hope to continue this programme every year. If every institution takes such an initiative — banks, and then our customers — if everyone tries to achieve net carbon zero by calculating how much carbon their organisation produces and how much they can offset, then we will see a significant improvement in the country's overall environmental condition.

Our ultimate goal is to make Bangladesh "liveable," which is a critical concern. I often emphasise that if a sector is categorised as environmentally risky — whether moderately or highly — under Bangladesh Bank guidelines, international directives, or IFC standards such as BIR, we will not invest there.

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Sustainability Rating Recognition Ceremony
August 2024



Banking on Sustainability

FROM PAGE J3

Women and SMEs are critical to sustainability. Eastern Bank has disbursed over BDT 200 crore in renewable energy, energy efficiency, and waste management ventures, alongside training and advisory support for SMEs and women entrepreneurs. Dhaka Bank offers concessional loans to start-ups, while Shahjalal Islami Bank provides collateral-free investment up to BDT 25 lakh for women entrepreneurs at reduced profit rates.

Despite these advances, challenges remain. Many businesses lack the knowledge and capacity to adopt green initiatives, while the high upfront cost of green technologies deters investment. "The biggest challenge is creating awareness among businesses and customers about sustainable finance. Knowledge gaps, lack of skilled manpower, and higher initial costs remain barriers," observes Tareq Refat Ullah Khan of BRAC Bank.

Data gaps in financed emissions and sector performance, shortages of capacity in risk and technology appraisal, and a thin pipeline of bankable green projects (particularly in renewable energy and resilient infrastructure) remain hurdles, adds

During January–March 2025, the total contribution of Green Finance by banks and financial institutions stood at BDT 8,763.47 crore, an increase of BDT 117.78 crore from the October–December 2024 quarter. Over the same period, Sustainable Finance reached BDT 1,49,819.05 crore, marking a rise of BDT 1,703.82 crore.

Mashrur Arefin, CEO of City Bank.

Regulatory backing is crucial for expanding sustainable finance in Bangladesh, says Abul Kashem Md Shirin, Managing Director and CEO of Dutch Bangla Bank (DBBL).

He notes that Bangladesh Bank is steering the financial sector towards adopting sustainable finance principles in lending decisions. The central bank's Sustainable Finance Department sets policy guidelines for banks and financial institutions, which he describes as a milestone in embedding sustainability within the banking system. Shirin adds that allocating more funds under Bangladesh Bank's refinance schemes will further accelerate the growth of green and sustainable finance.

A K M Shahnewaj, Managing Director (Current Charge) of Dhaka Bank, says fiscal incentives such as tax breaks for green investments, import duty exemptions on eco-friendly technologies, and targeted grants or subsidies play a crucial role in catalysing private sector participation in sustainable finance.

Sustainable banking in Bangladesh is still in its formative stage, yet the direction is clear. With competition among banks fueling innovation and commitment, the country is moving steadily towards a greener financial system. The more banks embrace sustainability, the stronger the foundation for an inclusive, environmentally responsible future.



AFFORDABLE FINANCE FOR underserved communities

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Abul Kashem Md. Shirin (AKMS): In the banking sector of Bangladesh, the journey towards sustainable and green banking started a long time ago with the initiative of Bangladesh Bank. The BRPD of Bangladesh Bank issued the Environmental Risk Management Guidelines for Banks and Financial Institutions in January 2011 and the Green Banking Policy Guideline in February 2011. Later, the Sustainable Finance Department was established to strengthen sustainable finance and green banking initiatives.

We are taking part in Bangladesh

Bank's initiative towards building a better environment by following environmental and social standards in financial decisions, in addition to the financial aspects. Sustainability has now become a mainstream consideration and receives priority when engaging funds in any project. Bangladesh Bank reports show that disbursement under sustainable finance has increased rapidly from 8.04% in 2021 to 39.66% in 2024, and green finance disbursement in terms of total term loan disbursement has also risen from 3.06% in 2021 to 13.29% in 2024 by banks and NBFIs.

TDS: What sustainable or green financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible

Bangladesh Bank's refinancing schemes, available at a 5.00% interest rate. The bank also has a loan product named Janala, a house finance scheme designed to provide low-cost housing solutions for workers in large industrial zones. CMSME loans are also disbursed through our agent banking outlets spread across Bangladesh.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

AKMS: Our main objective is to initiate inclusive sustainable banking for all members of the community. The expansion of our financial inclusion programmes ensures access to affordable

can access modern, technology-based banking facilities.

Our CSR contributions also play an important role in our sustainability standing. We have contributed Tk 1,200 crore to CSR, most of which has been channelled into education, health, disaster management, climate risk mitigation, and infrastructure development for institutions.

To promote sustainability in financing decisions, we have made environmental risk rating mandatory for all commercial lending. Environmental guidelines are also a compulsory integral part

perceive investment in green products as an additional cost and tend to avoid it.

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

AKMS: At present, over 80% of our financing falls under sustainable finance. The sustainability of the bank depends largely on its core banking performance, and



ABUL KASHEM MD. SHIRIN

Managing Director & CEO, Dutch-Bangla Bank (DBBL)

enterprises?

AKMS: Dutch-Bangla Bank is providing green finance under different term loan products and refinancing schemes with reduced interest rates under the purview of Bangladesh Bank guidelines for eligible purposes.

Customers across all segments can avail themselves of green finance and refinancing facilities ranging from short-term to long-term. We have dedicated desks with specific targets for sustainable finance, SMEs, and women entrepreneurs in all branches and business units. Moreover, for women entrepreneurs, we have developed two special products — Shofolota and Utshaho — under

finance for underserved communities, as our banking network spans the entire country.

We now have 243 branches, 307 sub-branches, 8,566 ATMs & CRMs, and 5,620 agent banking outlets across the country, including in remote areas. More than 80% of our agent outlets are located in rural areas, and over 40% of agent accounts are held by female customers. Moreover, Rocket accounts are widely distributed nationwide and play a vital role in financial inclusion. We currently have over 3.85 crore Rocket accounts, of which 31.45% are rural and 43.29% are female owned. Through this service coverage, poor, ultra-poor, and even illiterate people living in remote areas

of our credit policy and approval process.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

AKMS: We are creating awareness among borrowers and stakeholders across all segments about sustainability and the inherent benefits of using energy-efficient green technology. Large industrial units are generally aware of sustainability parameters and compliance. We take special care with CMSME customers to raise awareness about the benefits of investing in sustainable and green products, as many SME entrepreneurs still

environmental finance is also a key part of this. Dutch-Bangla Bank maintains excellence in core banking, and all other financial indicators are also highly favourable within the industry.

Our future plans include continuing our network expansion to provide more inclusive banking and expanding our CSR activities to benefit more people. In addition, we are redesigning our credit portfolio to diversify by sector and geography. The SME and retail sectors are receiving priority in our decision-making process. We have taken steps to balance our loan portfolio between corporate, SME, and retail sectors at a ratio of 40:30:30, which will ensure proper risk diversification.

small businesses'

BATTLE FOR GREEN GROWTH

SARAH BINTAY SHAKHAWAT

Small and medium enterprises (SMEs) are often described as the backbone of Bangladesh's economy, employing millions and driving growth in every corner of the country. Yet as climate risks intensify, their survival and competitiveness increasingly depend on access to sustainable finance. From energy-efficient machinery to waste management systems, the transition requires more than intent; it requires affordable, targeted financial tools. In recent years, Bangladeshi's banks, spurred by central bank policy and global sustainability standards, have begun to make headway in tailoring refinance schemes to SMEs.

Progress beyond compliance
When sustainable banking first emerged on Bangladesh's financial landscape, it was largely a matter of compliance. "Over the past decade, sustainable and green banking in Bangladesh has made remarkable progress," noted Ali Reza Iftekhar, Managing Director of Eastern Bank. "When Bangladesh Bank first introduced its Sustainable Finance Policy and Environmental and Social Risk Management (ESRM) guidelines, banks mostly treated them as compliance requirements. Today, sustainability has become a strategic priority for the country's leading institutions."

Eastern Bank, for example, now directs over a third of its total term loan portfolio to green projects, with 89% of its overall portfolio qualifying as sustainable finance. It has disbursed more than BDT 200 crore under Bangladesh Bank's refinancing schemes, while also mobilising foreign funds from institutions such as IFC and ADB. "Our vision is clear: make sustainable finance accessible not just to large corporates, but also to SMEs, women entrepreneurs, and innovators driving change from the ground up," Iftekhar emphasised.

SMEs at the centre
For SMEs, access to concessional credit can mean the difference between outdated, polluting technology and modern, efficient production. Mohammad Ali, Managing Director and CEO of Pubali Bank, underscored this point: "In the case of SMEs, they also need to align more with green financing, because they operate all across Bangladesh. They work in clusters — where there are shoe factories, they are all together; where there is handicraft production, they work there too. So, if you can bring SMEs under green financing, you actually reach the marginal population."

At Pubali Bank, the majority of sustainable finance has already shifted towards SMEs. "Over 88% of investments under sustainable finance last year went to CMSMEs," Ali said, adding that the bank has intentionally reduced its corporate loan portfolio to expand SME access.

SEE PAGE J6



সুস্থ পরিবেশ, সুরক্ষিত আগামী

ঢাকা ব্যাংক গ্রিন ব্যাংকিং

পরিবেশ সংরক্ষণের জন্যে ঢাকা ব্যাংক শুরু থাকে সামাটোইনেল ফাইন্যান্সিং ইউনিট এর মাধ্যমে বাংলাদেশ ব্যাংক-এর তৈরিতালা অনুসরণ করে সব ধরনের সবুজ উদ্যোগ বাস্তবায়ন সর্বদা সচেতন রয়েছে। সোলার পাওয়ার স্লার্ক, পরিবেশবান্ধব বিক ফিল্ট এবং বায়া-গ্যাস স্লার্ক এর মাত্র অত্যন্ত শুরুসূর্য গ্রিন প্রজেক্টে বাস্তবায়ন করার জন্য আমাদের অর্থায়নের বিশেষ সুরক্ষিত সুরক্ষিত রয়েছে। এছাড়াও, পরিবেশ বক্ষায় আমরা প্রয়োজন অনুযায়ী কাগজ, ইলেক্ট্রুসিটি ও জ্বালানী গ্যাসের পরিমিত ব্যবহার নিশ্চিত করে আসছি।

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ঢাকা ব্যাংক

সিএলসি

Sustainability ingrained in OPERATIONS AND CULTURE

The Daily Star (TDS): How would you evaluate the current state of sustainable banking in Bangladesh?

A K M Shahnawaj (AKMS): Sustainable banking in Bangladesh has made remarkable strides in recent years, transitioning from a niche concept to a core strategic priority within the financial sector. The pivotal role of Bangladesh Bank – through its sustainable and green finance guidelines, refinancing facilities for renewable energy and energy-efficient projects, and mandatory sustainability reporting – has been instrumental in



TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

AKMS: Dhaka Bank is deeply committed to promoting sustainable finance and actively participates in Bangladesh Bank's refinancing initiatives targeting renewable energy, particularly solar power, energy-efficient machinery, waste management, effluent treatment, and eco-friendly industrial projects. For sectors such as Ready-Made Garments and large-scale manufacturing, we leverage programmes including the Refinance for Environment-Friendly Green Projects, the Technology Development Fund,

Through these efforts, Dhaka Bank aims to promote inclusive growth and contribute to Bangladesh's sustainable development.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

AKMS: At Dhaka Bank, sustainability is deeply ingrained in both our operational framework and corporate culture. We have dedicated Sustainable Finance Help Desks in every branch to integrate environmental, social, and governance (ESG) risk assessments into our credit appraisal processes through the Environmental and Social Due Diligence (ESDD) matrix.

Furthermore, training and awareness programmes are conducted to cultivate sustainability-mindedness among

our loan and investment portfolios, positioning us among the pioneers in Bangladesh to adopt globally recognised carbon accounting standards.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

AKMS: We face several challenges. Many borrowers lack the technical capacity to develop green projects and often perceive sustainable technologies as costly with delayed returns. The absence of standardised ESG data complicates impact assessment and risk evaluation. Although Bangladesh Bank's refinancing schemes are beneficial, the local market for green bonds and sustainability-linked loans is still emerging, limiting financing avenues for large-scale initiatives. Moreover, cultivating a sustainability mindset

ESG targets, and explore partnerships with international climate funds to secure concessional financing for Bangladesh's green transition.

In terms of government support, fiscal incentives such as tax breaks for green investments, import duty exemptions on eco-friendly technologies, and targeted grants or subsidies will catalyse private sector participation. Capacity-building programmes are also vital – training entrepreneurs, stakeholders, and bankers in sustainable practices ensures long-term market growth and effectiveness.

A supportive, predictable regulatory environment combined with targeted incentives will be crucial for mobilising private capital at scale to meet the country's ambitious sustainable development goals.

AKM SHAHNAWAJ
Managing Director (Current Charge), Dhaka Bank

accelerating this growth. At Dhaka Bank, we have wholeheartedly embraced these initiatives, embedding environmental, social, and governance (ESG) considerations deeply into our lending and investment decisions.

While sustainable finance currently represents a growing segment of the credit market, the foundation is firmly in place for rapid expansion. With increasing awareness, advancing technical capacity, and evolving transition finance, we are confident that Bangladesh is well positioned to scale sustainable finance significantly to meet its climate and sustainable development goals. The progress so far inspires optimism for a green and resilient future.

and the Green Transformation Fund to facilitate the adoption of energy-efficient technologies.

For SMEs, we provide access to government and central bank refinance schemes, including the Tk. 25,000 crore CMSME programme at 7% interest, the agro-processing refinance facility, and the SME Foundation's revolving fund at 6%. Additionally, our Start-up Fund offers young entrepreneurs concessional loans of up to Tk. 80 million at just 4% interest.

We also provide targeted financing for businesses in rural areas, marginal traders, and women entrepreneurs, with concessional rates as low as 5%, including our Oditiya Loan designed specifically for women entrepreneurs.

employees, ensuring accountability and engagement throughout the organisation.

Internally, we have implemented several initiatives to reduce our carbon footprint. These include digitising workflows – for example, adopting a "go green" approach for bill collection – to significantly lower paper consumption, and upgrading to energy-efficient lighting across our branch network.

Moreover, Dhaka Bank has recently partnered with the Partnership for Carbon Accounting Financials (PCAF) to enhance our capacity for measuring and managing financed emissions. This collaboration underscores our commitment to transparency and accountability in assessing the environmental impact

among clients and staff requires sustained education and incentives.

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

AKMS: Our strategy focuses on three key pillars: scaling, innovation, and partnership. We plan to increase our green financing portfolio substantially, focusing on renewable energy generation, climate-resilient infrastructure, sustainable agriculture, and energy-efficient industrial modernisation.

We intend to introduce innovative financing instruments such as sustainability-linked loans, where borrowers receive better terms for meeting

Dhaka Bank is deeply committed to promoting sustainable finance and actively participates in Bangladesh Bank's refinancing initiatives targeting renewable energy, particularly solar power, energy-efficient machinery, waste management, effluent treatment, and eco-friendly industrial projects.

TOP SUSTAINABLE BANK IN BANGLADESH

MTB

SUSTAINABILITY RATING 2024 BY BANGLADESH BANK

16219 MTB Islamic mutualtrustbank.com



Small businesses' battle for green growth

FROM PAGE J5

Refinance windows opening up

Across the industry, refinancing schemes have become the key enabler. A K M Shahnawaj, Managing Director (Current Charge) of Dhaka Bank, explained: "For SMEs, we offer access to government and Bangladesh Bank's refinance schemes including the Tk. 25,000 crore CMSME programme at 7% interest, the agro-processing refinance facility, and the SME Foundation's revolving fund at 6%. Our Start-up Fund supports young entrepreneurs with concessional loans up to Tk. 80 million at 4%."

These facilities extend to rural areas, marginal traders, and women entrepreneurs, making sustainability a more inclusive endeavour. By lowering the cost of capital, they allow SMEs to invest in areas such as energy efficiency and waste treatment that would otherwise remain out of reach.

Banks leading the push

As Bangladesh's largest SME lender, BRAC Bank has built its brand around marrying sustainability

with inclusivity. "We actively utilise Bangladesh Bank's refinancing

When Bangladesh Bank first introduced its Sustainable Finance Policy and Environmental and Social Risk Management (ESRM) guidelines, banks mostly treated them as compliance requirements. Today, sustainability has become a strategic priority for the country's leading institutions.

schemes such as the Green Transformation Fund, the Refinance Scheme for Green Products, and the Technology Development Fund," said Tareq Refat Ullah Khan, Managing Director and CEO (Current Charge). "By combining these green and SME refinancing windows, BRAC Bank not only promotes environmentally responsible enterprises but also ensures inclusive access to finance for small businesses across the country."

BRAC Bank has topped Bangladesh Bank's sustainable banking ratings multiple times and was recently ranked highest among Bangladeshi institutions in Bloomberg's ESG assessment.

Trust in green growth

"Green growth cannot be achieved without green investment," stressed Ahsan Zaman Chowdhury, Managing Director and CEO of Trust Bank. Alongside major financing for green factories, recycling initiatives, and energy efficiency, the bank has launched SME-focused products such as Trust Ekota for groups of small entrepreneurs, Trust Buno

SEE PAGE J7

FINANCE THAT PROTECTS GROWTH, people, and planet

The Daily Star (TDS): How would you assess the current state of sustainable and green banking in Bangladesh?

Ali Reza Iftekhar (ARI): Over the past decade, sustainable and green banking in Bangladesh has made remarkable progress. When Bangladesh Bank first introduced its Sustainable Finance Policy and Environmental and Social Risk Management (ESRM) guidelines, banks mostly treated them as compliance requirements. Today, sustainability has become a strategic priority for the country's leading institutions.

The banking sector now recognizes that financing cannot be separated from realities such as climate change, resource scarcity, and the demand for inclusive finance. Bangladesh Bank has accelerated

this shift with green refinancing schemes, channeling affordable funding into renewable energy, waste management, and other green projects. The recent adoption of IFRS S1 and S2 on sustainability and climate disclosures has further aligned us with global standards.

Eastern Bank PLC (EBL) is proud to be ranked among the top ten sustainable banks in Bangladesh Bank's 2024 Sustainability Rating. For us, this recognition validates our long-term ESG commitments—but it is not a destination. It is a responsibility to keep moving forward.

TDS: What sustainable or green financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or environmentally responsible enterprises?

To encourage innovation, our EBL Startup Explorer program, launched with Startup Bangladesh, directly finances green and impact-driven startups. We also partner with NGOs to provide tailored refinancing solutions to grassroots entrepreneurs. Our vision is clear: make sustainable finance accessible not just to large corporates, but also to SMEs, women entrepreneurs, and innovators driving change from the ground up.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and how are you reducing your own carbon footprint?

ARI: Sustainability at EBL goes beyond financing—it is embedded in our operations.

Our Head Office is a green building, equipped with solar glass panels

emissions, through the Joint Impact Model (JIM). Additionally, our partnership with DHL's GoGreen Plus program reduces 30% of emissions from trade document transport by using Sustainable Aviation Fuel.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

ARI: While progress is evident, challenges remain.

Data gaps: Measuring financed emissions across diverse industries remains

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

ARI: Looking ahead, EBL plans to introduce Green Deposit and Green Asset products, allowing customers to directly contribute to sustainable projects. We are also piloting a Climate Risk Diagnostic and Management Model with IFC and DEG, which integrates climate risk into credit decisions—making us one of the first banks in Bangladesh to embed climate risk into portfolio management. To scale up these

Our EBL Startup Explorer program, launched with Startup Bangladesh, directly finances green and impact-driven startups. Our vision is clear: make sustainable finance accessible not just to large corporates, but also to SMEs, women entrepreneurs, and innovators driving change from the ground up.

ARI: At EBL, inclusiveness is central to our sustainable finance strategy. In 2024, 35.24% of our total term loan portfolio was directed to green projects—almost double the previous year. Overall, 89% of our portfolio now qualifies as sustainable finance.

We actively utilize Bangladesh Bank's refinancing schemes and have already disbursed over BDT 200 crore to renewable energy, energy efficiency, and waste management ventures. Beyond financing, we offer training, advisory support, and flexible repayment terms for SMEs and women entrepreneurs whose businesses embrace sustainability. We also mobilize foreign funding from DFIs such as IFC, DEG, FMO, OFID, and ADB, primarily for green investments.

generating 16 kW of electricity daily, along with rainwater harvesting and wastewater treatment facilities. We use hybrid vehicles, smart AC systems, and energy-efficient lighting to further reduce consumption.

We are steadily moving towards a paperless culture. By digitizing LC processing, we've reduced paper use by 40–45%, saving more than a million sheets each year. Our e-leave, e-appraisal, and e-learning systems cut paper use further. On the customer side, digital platforms like EBL Connect and SkyPay process billions of taka electronically, reducing the carbon footprint of cash handling while enhancing efficiency and convenience.

EBL is also among the first banks in Bangladesh to measure Scope 1, Scope 2, and Scope 3 emissions, including financed

difficult due to limited data quality and availability.

Awareness and capacity: Many borrowers—particularly SMEs—lack the technical know-how to adopt green technologies. Banks often need to invest in awareness and capacity-building before financing can be effective.

High upfront costs: Renewable energy or green building projects involve significant initial investment, discouraging entrepreneurs despite long-term savings. Here, concessional funding from Bangladesh Bank and DFIs plays a vital role.

We believe stronger policy support—such as tax incentives for green technology and a carbon credit framework—would accelerate adoption across the financial sector.

efforts, we seek government support in three areas:

1. Incentives for green investment—including interest subsidies, tax benefits, and accelerated depreciation for renewable and energy-efficient technologies.
2. Capacity-building programs—equipping SMEs and entrepreneurs with the skills to adopt sustainable practices.
3. A robust carbon market framework—enabling banks and businesses to monetize emission reductions and attract greater climate finance.

Our ambition is clear: to help shape a financial sector that not only drives economic growth but also safeguards the planet for future generations.

ALI REZA IFTEKHAR
Managing Director, Eastern Bank



Small businesses' battle for green growth

FROM PAGE J6

for handloom industries, and Trust Projukti Loan for light engineering. These sector-specific loans highlight how tailored finance can accelerate green adoption among SMEs working in traditional clusters.

Challenges remain
Yet even with these advances, bottlenecks remain. Mashrur Arefin, Managing Director and CEO of City Bank, pointed to systemic barriers: "Awareness of green transformation is still limited, especially outside corporate clients. SMEs often struggle to present viable proposals, and the pipeline of bankable green projects remains thin. Data gaps in financial emissions and capacity shortages in risk and technology appraisal remain hurdles."

City Bank's approach has been to combine concessional lending with capacity-building through financing projects that are environmentally friendly or that address climate resilience and disaster management.

By combining these green and SME refinancing windows, BRAC Bank not only promotes environmentally responsible enterprises but also ensures inclusive access to finance for small businesses across the country.

As Arefin explained: "Balancing commercial viability with long-term environmental and social impact requires deep client engagement and tailored financing. Yet we see these challenges as opportunities

for innovation."

The road ahead
Bangladesh's experience shows that with the right regulatory push, banks can go beyond symbolic gestures and create meaningful pathways for SMEs to green their operations. Refinance schemes from Bangladesh Bank, concessional lending windows, and specialised SME products are already driving momentum. Still, as several leaders stressed, scaling up will require continued government support in the form of tax incentives, subsidies, and a framework for carbon markets.

For now, the shift is unmistakable. Sustainable finance is no longer a corporate talking point but an SME reality. And as Iftekhar of Eastern Bank put it, the goal is not just growth but responsibility: "to help shape a financial sector that not only drives economic growth but also safeguards the planet for future generations."

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Reducing footprint while **EXPANDING GREEN FINANCE**

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Syed Mahbubur Rahman (SMR): Bangladesh has been profoundly affected by global human-induced climate change, despite contributing very little to the problem. The consequences are stark – frequent cyclones, tornadoes, floods, riverbank and coastal erosion, droughts, heatwaves, and prolonged summers. According to the Global Climate Risk Index 2021, Bangladesh is ranked as the seventh most disaster-prone country in the world, which highlights our extreme vulnerability.

MTB's sustainability approach combines reducing our own footprint with expanding green financing. Internally, we have taken steps such as maintaining the air conditioning at 25°C, using sensor-based and energy-efficient lighting, encouraging daylight usage, and installing solar power at our head office, branches, and ATMs.

In response, the banking sector has played a vital role. Banks now offer green finance loans, refinancing options, and dedicated funds aimed at mitigating climate change impacts and building resilience. The green banking policy has encouraged digitalisation, online branches, and solar-powered operations. Bangladesh Bank has also launched the Green Transformation Fund (GTF), initially for the textile, leather, and jute sectors, later expanded to include all export-oriented industries, facilitating greener export growth.

Overall, sustainable and green banking in Bangladesh is progressing well. Banks, including MTB, are embedding sustainability into their operations

that any organisation with sustainable initiatives can access financing.

For SMEs and corporates, we currently offer 94 green products across 14 sectors, including green buildings, effluent treatment plants (ETPs), renewable energy, and energy-efficient machinery. Beyond corporates, we also cater to retail clients with innovative solutions. For example, our paperless digital loan allows customers to apply directly from their mobile phones without paperwork or even visiting a branch – making sustainable finance more accessible than ever.

Additionally, we utilise Bangladesh Bank's refinance schemes and structure sustainability-linked loans to encourage enterprises to adopt environmentally

lighting, encouraging daylight usage, and installing solar power at our head office, branches, and ATMs. An energy audit has been conducted to identify efficiency gaps, and Scope 1 and 2 GHG emissions are regularly monitored. Scope 3 financed emissions are now being assessed. Additionally, large-scale tree plantation programmes support natural carbon sequestration.

Externally, we have expanded our

practices?

SMR: The journey has not been without challenges. One major hurdle is customer awareness – many clients, especially SMEs, are not fully familiar with the benefits and requirements of sustainable finance. This often requires banks like MTB to invest significant effort in one-to-one client engagement, capacity building, and technical support.



SYED MAHBUBUR RAHMAN

Managing Director & CEO, Mutual Trust Bank (MTB)

and portfolios. This is not just about compliance – it reflects our long-term commitment to environmental stewardship and a sustainable future for the nation.

TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

SMR: At MTB, our sustainable and green finance schemes are open to all institutions that meet the criteria, regardless of whether they are SMEs, corporates, or other enterprises. This inclusivity ensures

responsible practices. In this way, we ensure that our financing directly contributes to sustainable growth across diverse sectors of the economy.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

SMR: MTB's sustainability approach combines reducing our own footprint with expanding green financing. Internally, we have taken steps such as maintaining the air conditioning at 25°C, using sensor-based and energy-efficient

green portfolio across 14 priority sectors with 94 products, covering renewable energy, green buildings, effluent treatment plants, and energy-efficient machinery. These solutions ensure access for both SMEs and corporates.

We also focus on awareness and capacity building through employee training, client workshops, and environment-linked CSR initiatives. Together, these measures reduce our carbon impact and strengthen MTB's role in Bangladesh's transition to a greener economy.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking

Another challenge is balancing profitability with sustainability. While green projects create long-term value, they often demand higher upfront investments and longer payback periods, which can discourage some businesses. Additionally, data gaps and the lack of robust ESG disclosure frameworks in Bangladesh make it difficult to track and report sustainability outcomes effectively.

Finally, broader economic and political uncertainties add further strain on the banking sector. However, initiatives such as Bangladesh Bank's sustainability rating demonstrate that banks can remain compliant with regulations and continue building trust with customers through sustainable practices.

WOMEN in focus

FROM PAGE J9

green banking is far behind the desired level of the country. Cumulative effort from all the stakeholders – i.e. borrowers, banks/financial institutions, regulatory authorities – as well as consumers' understanding regarding the importance and implementation is necessary."

Trust Bank is addressing this challenge through products like Trust Nondini, which provides women entrepreneurship loans for setting up or expanding businesses, and Trust Ekota, designed for groups of small entrepreneurs such as artisans, potters, and agro-based producers who are often deprived of traditional bank loan facilities.

Optimism for the future remains strong. A K M Shahnawaj, Managing Director (Current Charge) of Dhaka Bank, expressed confidence in Bangladesh's potential as he said, "With increasing awareness, advancing technical capacity, and evolving transition finance, we are confident that Bangladesh is well positioned to scale sustainable finance significantly to meet its climate and Sustainable Development Goals. The progress so far inspires optimism for a green and resilient future."

Dhaka Bank promotes inclusive growth by providing targeted financing for rural businesses, marginal traders, and women entrepreneurs, sometimes at concessional rates as low as 5%. Its Oditiya Loan specifically caters to women entrepreneurs, helping them establish stronger footholds in the

To ensure inclusivity, Bangladesh Bank issued a directive on March 17 instructing all banks and financial institutions to allocate 20% of their green financing to women entrepreneurs and 25% to cottage, micro, small, and medium enterprises (CMSMEs).

economy.

Ali Reza Iftekhar, Managing Director of EBL, emphasised that sustainability is not just about financing but also about empowerment. He said, "Inclusiveness is central to our sustainable finance strategy. We actively utilise Bangladesh Bank's refinancing schemes and have already disbursed over BDT 200 crore to renewable energy, energy efficiency, and waste

management ventures."

He added that EBL partners with NGOs to design tailored refinancing solutions for grassroots entrepreneurs. "Our vision is clear: make sustainable finance accessible not just to large corporates, but also to SMEs, women entrepreneurs, and innovators driving change from the ground up," he further added.

This sentiment is echoed by Mohammad Ali, Managing Director & CEO of Pubali Bank, who placed special emphasis on women's empowerment. He emphasised, "Our sustainable finance or green finance is open to everyone. However, in our economic context, we want to work with women – that's the most important aspect."

From renewable energy projects to grassroots entrepreneurship, from concessional refinancing to gender-focused credit schemes, green and sustainable finance is steadily broadening its scope. While challenges remain, especially in fully realising inclusivity for women entrepreneurs and CMSMEs, the combined efforts of regulators, banks, and development partners indicate a strong foundation for progress.

With the right mix of policy, innovation, and collaboration, Bangladesh is on track to create a financial ecosystem that not only fuels economic growth but also safeguards the environment and empowers marginalised groups, ensuring a more resilient and sustainable future.

Leading the way

Eastern Bank has once again secured its position among the Top 10 Banks and Financial Institutions in the Bangladesh Bank Sustainability Rating.

This recognition reflects our steadfast commitment to responsible banking and building a more sustainable future.





WOMEN in focus

SAUDIA AFRIN

Bangladesh's banking sector is witnessing a significant transformation as sustainable finance and green lending gain strong momentum. With climate challenges intensifying and inclusive growth becoming a national priority, banks and financial institutions are not only aligning themselves with regulatory mandates and global sustainability standards but are also placing stronger emphasis on women entrepreneurs. By directing green and sustainable finance towards women-led enterprises, the sector is opening doors for women to play a central role in building a greener, more resilient economy.

The central bank's policies requiring banks to allocate at least 5% of their previous year's net outstanding loans to green finance and 40% to broader sustainable finance have created a solid framework for progress. Robust Environmental and Social Risk

Management (ESRM) practices further ensure that financing decisions promote both ecological balance and social equity.

Since 2021, this sector has grown steadily, channelling billions of taka into renewable energy, energy efficiency, green buildings, sustainable agriculture, and other climate-friendly ventures. In 2024 alone, banks and non-bank financial institutions (NBFI) disbursed BDT 30,653 crore as green finance and BDT 459,483 crore as sustainable finance, compared to BDT 19,304 crore and BDT 197,369 crore, respectively, in 2023. This rapid growth reflects an evolving mindset where sustainability is no longer optional but

central to banking strategies.

To ensure inclusivity, Bangladesh Bank issued a directive on March 17 instructing all banks and financial institutions to allocate 20% of their green financing to women entrepreneurs and 25% to cottage, micro, small, and medium enterprises (CMSMEs). Additionally, 15% of CMSME loans must be distributed among women entrepreneurs. This policy underscores the government's commitment to gender equality, inclusive development, and the Sustainable Development Goals (SDGs).



Highlighting their initiatives, Mashrur Arefin, Managing Director & CEO of City Bank, explained, "To support SMEs, women entrepreneurs, and environmentally responsible businesses, we help them access low-cost loans offered by Bangladesh Bank, as well as concessional financing for projects that are environment-friendly or that address climate resilience and disaster management."

Through its women-focused division, City Alo, City Bank goes beyond traditional banking by offering financial literacy programmes, capacity-building initiatives, and networking opportunities. It also facilitates access to three major refinance schemes from the central bank, ensuring women entrepreneurs receive both financial and institutional support.

BRAC Bank also remains a key player in SME refinancing, providing funds through schemes such as the TARA Refinance Scheme for Women

Entrepreneurs, the Tk. 25,000 crore Pre-Finance Facility (SMTLR), Agro-Processing Refinance, and New Entrepreneur Refinance. As Tareq Refat Ullah Khan, Managing Director & CEO (Current Charge) of BRAC Bank, noted, "In addition, we access specialised programmes such as the ADB-supported and SME Foundation funds, which allow us to reach women entrepreneurs, new business starters, agro-based industries, and low-income professionals."

Despite this progress, challenges remain. The level of financing for women entrepreneurs and CMSMEs is still below expectations. The central bank has repeatedly stressed the importance of scaling up efforts to achieve meaningful inclusivity in sustainable finance.

Ahsan Zaman Chowdhury, Managing Director & CEO of Trust Bank, pointed out the gap: "Currently, achievement of sustainable and

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Sustainability Rating Recognition Ceremony
Sustainability Rating 2024

Chief Guest: Dr. Ahsan H. Mansur, Governor, Bangladesh Bank

Guest of Honour: Md. Ataur Rahim, Managing Director, Head Office, Bangladesh Bank

Date: 20 August 2024

Location: Bangla Finance Hall (4th Floor), National Press Club, Dhaka, Bangladesh

Dutch-Bangla Bank
 recognized as 'Sustainable Bank'
 by Bangladesh Bank

The Honorable Governor of Bangladesh Bank, Dr. Ahsan H. Mansur, formally handed over the certificate and crest of recognition for excellencence in Sustainable Finance to the Managing Director & CEO of Dutch-Bangla Bank at a grand ceremony organized by Bangladesh Bank.

The Honorable Deputy Governor-1, along with other senior officials of Bangladesh Bank was also present in the event.

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Driving green finance with FOCUS ON INNOVATION

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Md. Ziaur Rahman (MZR): Bangladesh's journey towards sustainable and green banking reflects a growing commitment to environmentally responsible finance, largely propelled by regulatory leadership from Bangladesh Bank and rising awareness within the financial sector. Since 2011, Bangladesh Bank has championed sustainable finance through comprehensive policy frameworks, refinancing schemes, and mandatory reporting requirements. These efforts have positioned Bangladesh as a regional leader in integrating green banking practices,

be embraced as a national imperative. The banking sector holds significant potential to voluntarily lead the transition towards a low-carbon, climate-resilient economy.

TDS: What sustainable financing/ refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

MZR: Bangladesh Bank has introduced a range of refinance schemes designed to empower SMEs, women entrepreneurs, and environmentally responsible enterprises. Prime Bank is proud to be a participating institution in all of these initiatives through formal agreements with Bangladesh Bank. These refinance

management. Internally, it has introduced energy-efficient lighting, HVAC systems, insulation, motion-sensor technology, and low-energy appliances, while ergonomic workplace designs enhance productivity and reduce waste. Digital statements, e-signatures, and cloud-based documentation have significantly reduced paper use, and the Bank is transitioning its vehicle fleet towards hybrid and electric models.

In financing, Prime Bank embeds ESG principles into lending and investment, focusing on renewable energy, energy efficiency, recycling, waste management, green buildings, and sustainable industries. It actively supports sustainable agriculture — including integrated farming, horticulture, livestock, fishery,

green financing options. Deeply rooted traditional banking practices make the transition to sustainable models a cultural shift that institutions must actively embrace.

Regulatory enforcement and monitoring mechanisms are still maturing, often resulting in compliance that is more symbolic than substantive. Furthermore, upgrading infrastructure such as installing solar-powered branches or adopting energy-efficient systems

returns but also fosters a more inclusive and sustainable world. This is just the beginning, and we are energised by the possibilities that lie ahead. To truly amplify our impact in sustainable finance, collaboration between the public and private sectors, supported by regulatory bodies and government authorities, is essential.

Targeted incentives such as tax relief and subsidies for green initiatives can significantly



Our vision is to amplify our impact on sustainability across the financial sector, driving meaningful change for generations to come. We are steadfast in our commitment to expanding green financing, with a strategic focus on supporting innovative technologies that accelerate the shift towards a low-carbon economy.

especially among developing nations.

Given Bangladesh's status as a developing economy and its acute vulnerability to climate change, sustainable banking must transcend financial strategy — it should

schemes have significantly enhanced our customers' access to affordable financing, offering lower interest rates, collateral-free loans, and opportunities for employment generation. To ensure seamless delivery, our relationship managers have undergone comprehensive training and awareness programmes focused on these specialised financial products. In 2024 alone, Prime Bank facilitated BDT 288 crore in financing for environmentally friendly projects and initiatives, demonstrating our strong commitment to sustainable development and inclusive growth.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

MZR: Prime Bank integrates sustainability across operations, lending, and risk

agro-forestry, and apiculture — as well as CMSMEs, building resilience and promoting financial inclusion.

For risk management, every transaction undergoes Environmental and Social due diligence. Activities on exclusion lists are rejected, and projects are classified by risk level. High-risk cases require Board approval and corrective action plans. A dedicated Sustainable Finance Unit ensures ESG standards, transparency, and accountability remain central to operations.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

MZR: A major hurdle is the limited awareness and understanding among both customers and bank employees, which leaves many potential borrowers ill-informed or unprepared to access

investment, which can deter rapid adoption.

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

MZR: We are scaling up our sustainable agriculture, SME, and women entrepreneur financing programme, empowering more businesses with the resources and guidance they need to embrace environmentally responsible practices. We believe that collaboration is the cornerstone of progress, and we are actively building stronger alliances with global institutions to harness greater expertise and mobilise impactful resources.

Looking ahead, we are integrating advanced ESG analytics into our investment strategies, ensuring that every financial decision not only delivers solid

accelerate the adoption of sustainable practices across industries. Equally important is the establishment of clear, consistent regulations for sustainability reporting and carbon emissions. These frameworks would foster transparency, create a level playing field, and encourage more businesses to embrace eco-friendly operations. Access to government-backed risk-sharing mechanisms would empower financial institutions to support bold, high-impact projects, especially in renewable energy and green infrastructure, by mitigating investment risks and unlocking greater innovation.

Public-private partnerships focused on sustainability offer a powerful avenue to combine resources, expertise, and vision. Together, we can catalyse large-scale, transformative change and pave the way for a more resilient, inclusive, and sustainable future.

PRIORITISING ENVIRONMENTALLY friendly and sustainable projects

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

M. Shamsul Arefin (MSA): Over the past five years, driven by Bangladesh Bank's directives, low-interest loan facilities, preferential treatment from correspondent banks and multilateral lenders, and their own initiatives, banks and non-banking financial institutions (NBFI) have increasingly prioritised environmentally friendly and sustainable projects for lending. Currently, around 33 percent of the total bank loan portfolio comprises sustainable and eco-friendly project loans, while for NBFI, the figure stands at 28 percent.

Bangladesh Bank has instructed banks and NBFI to allocate at least 5 percent of total loans and advances to green sectors

and 40 percent to broader sustainable projects. Notably, despite defaults affecting 24 percent of bank loans and 35 percent of NBFI loans as of last March, the default rate for sustainable and eco-friendly loans remains below 2 percent — a significant achievement.

Loans in these sectors nearly doubled within a year, rising from Tk. 361,000 crore in March 2024 to about Tk. 605,000 crore by March 2025, with the number of borrowers increasing from 1.31 million to 2.58 million.

TDS: What sustainable financing/ refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

MSA: We offer term loans for women

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your carbon footprint?

MSA: To foster sustainable banking, NCC provides regular employee training and organises community initiatives such as tree plantation programmes and CSR projects for marginal farmers and underserved people. Recently, we organised a tree plantation initiative titled "NCC Nishorgo: Apnar Sathe, Sabujer Pothe," where 5,300 saplings were planted in 40 schools nationwide. This promotes environmental awareness and contributes to a greener Bangladesh for future generations.

Our Bank has implemented "green office guidelines" to reduce environmental impact. To encourage our customers to

promoting sustainable banking practices?

MSA: Banks sometimes face technical difficulties in assessing environmental and social impacts and in calculating emissions by borrowers. The green capital market in Bangladesh is still in its growth stage, and refinancing arrangements for green projects remain limited. Customer awareness of sustainable finance benefits can also be improved.

Furthermore, it is often challenging to access harmonised data on businesses' environmental and social

banking, and inclusive financing by introducing innovative, green-centric financial products, supported by digitalised delivery channels and improved customer outreach. We have set specific, measurable, achievable, relevant, and time-bound (SMART) targets for green finance to fully integrate Environmental, Social and Governance (ESG) factors into all business operations.

We will continue our efforts to collaborate with international partners and NGOs for funding and expertise. We will publish an Annual Sustainability Report to ensure transparency, invest in specialised employee



M. SHAMSUL AREFIN
Managing Director, NCC Bank

entrepreneurs up to BDT 1.00 crore at an annual interest rate of 5 percent under the Bangladesh Bank refinancing scheme. To support CMSMEs, we offer a refinance scheme at 5 percent interest, a pre-finance facility at 7 percent interest, and for start-ups, financing at 4 percent interest under the Bangladesh Bank refinance schemes. We also facilitate refinancing for small account holders (no frill accounts having an initial balance of BDT 10/50/100) and agro-product processing enterprises at 7 percent interest.

Our "NCC Parama" is a dedicated women's banking initiative designed to empower women financially and help them achieve self-reliance by providing training and awareness programmes.

bank with us digitally, we have rolled out the "NCC Always" mobile app for individual clients and the "NCC Icon" internet banking service for corporate clients. Additionally, our customers can use our debit and credit cards in any ATM booth free of cost — more than 14,000 ATMs nationwide. In 2024, 58 percent of transactions were processed digitally.

Moreover, as a Partnership for Carbon Accounting Financials (PCAF) signatory, we measure and disclose financed greenhouse gas emissions. Our sustainability strategy aligns closely with the UN's Sustainable Development Goals.

TDS: What challenges has your bank encountered in adopting and

performance due to the absence of uniform reporting standards (GRI, IFRS, SASB, TCFD, etc.), which hampers accurate assessment and monitoring of the sustainability impact of borrowers. NCC Bank strives to overcome these challenges through customer awareness initiatives, capacity-building programmes, stakeholder partnerships, and enhanced service offerings.

TDS: What are your bank's plans to advance sustainable banking, and what support do you seek from the government?

MSA: Our plans are to expand our sustainable finance portfolios significantly, with a focus on women's banking, SME

training, and enhance our CSR initiatives on sustainability.

While Bangladesh Bank's existing policies are excellent, we also expect incentives for top-performing banks, such as tax benefits. The introduction of green pre-finance, making the fund more accessible, and increasing the limit for green refinancing funds are crucial given the growing demand.

It is equally imperative to include ESG disclosures from all businesses in their financial statements to provide banks with the necessary data for due diligence and credit analysis. Finally, capacity-building programmes for banking professionals and companies are vital to ensure the long-term success of sustainable finance.

In 2024, we disbursed BDT 14,930.41 crore under Sustainable Finance and BDT 650.37 crore under Green Finance, with growth rates of 497 percent and 272 percent respectively. The Bank also actively promotes financial inclusivity by supporting marginal farmers and rural customers.

Financing that puts THE EARTH FIRST

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Ahsan Zaman Chowdhury (AZC): Sustainability has become one of the mainstream aspects of the banking sector. It is connected through sustainable finance, which generally refers to the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector.

Banks have been adopting sustainable and green banking practices primarily

environmentally responsible enterprises?

AZC: Trust Bank's greatest priority is sustainable and green financing for the protection and conservation of the environment. The bank is focusing on promoting products, projects, and initiatives related to this sector, which will ensure an inclusive and equitable approach towards economic and environmental development. In 2024, TBL disbursed BDT 130,549.20 million as sustainable finance, which was 49% of the bank's total disbursement.

Green finance is a term that refers to those projects that support sustainable development, including financing in biodiversity protection, water sanitation, industrial pollution

machinery, air conditioners, furniture, and fixtures.

» **Trust Muldhun:** Designed to meet working capital requirements and for the expansion of existing businesses.

» **Trust Ekota:** A loan product for groups of small entrepreneurs (both male and female). Trust Ekota is specially designed for groups such as nakshikantha makers, tribal weavers, potters, bamboo and cane producers, agricultural equipment makers, and other income-generating activities, who are often deprived of bank loan facilities, so that they can operate their businesses smoothly.

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

along with guidelines for its office and business operations. We have adopted environmentally friendly initiatives in every area, guided by the spirit of green banking in all of our financing decisions.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

AZC: Bangladesh Bank has introduced guidelines for green and sustainable banking. However, the demand for green finance products remains relatively low in Bangladesh due to limited consumer awareness. This can obstruct the bank's ability to scale up its sustainable banking portfolio and makes it difficult to attract sufficient investment into sustainable sectors.

Bangladesh is one of the most climate-

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

AZC: Bangladesh Bank evaluates banks and financial institutions every year based on five key indicators. These are the Sustainable Finance Index, CSR activities, green project financing, core banking sustainability, and banking services coverage. This rating encourages financial institutions to integrate environmental, social, and governance (ESG) considerations into their operations.

In 2022 and 2023, Trust Bank PLC was recognised as one of the seven banks in the Sustainability Rating 2022. The bank aims to maintain this position in the coming years as well.

TBL financed 2,934 biogas plants and is recognised as a pioneer in the banking sector in this area. A village has been named Trust Bank Solar Village in Howlipara, Jhenaidah. At the end of 2024, our total outstanding in sustainable finance was BDT 148,454.80 million.



AHSAN ZAMAN CHOWDHURY
Managing Director & CEO, Trust Bank

to comply with regulatory requirements. However, sustainable banking can make positive changes by leveraging human talent, resources, and vision towards environmentally and socially desirable goals. It engages all stakeholders and aims to create an inclusive and greener economic and environmental system. It also introduces ESG standards, as well as risk management, into the lending practices of banks. In banking, it is directly related to financing projects.

TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other

control, energy efficiency, climate change adaptation, and renewable energy. It also refers to financing in environmentally friendly projects that will support the creation of a healthy environment, not only for the present but also for future generations. Our total green finance outstanding in 2024 is BDT 214,901.70 million.

Trust Bank has been offering the following products related to SMEs, women entrepreneurs, and the agricultural sector:

» **Trust Nondini:** A women entrepreneurship loan for setting up business units/industries or for the expansion of existing businesses. It covers fixed assets such as plant,

AZC: Green finance is part of ethical financing and, subsequently, of sustainable finance. It promotes environmental and resource conservation by reducing the consumption of electricity, water, and paper, and by moving away from paper-based transactions across operations.

TBL financed 2,934 biogas plants and is recognised as a pioneer in the banking sector in this area. A village has been named Trust Bank Solar Village in Howlipara, Jhenaidah. At the end of 2024, our total outstanding in sustainable finance was BDT 148,454.80 million.

As Bangladesh Bank has been encouraging sustainable banking, Trust Bank has implemented a green financing policy for its product offerings,

vulnerable countries in the world, facing frequent flooding, cyclones, and rising sea levels. These environmental risks could impact the assets of borrowers and lead to defaults, particularly in sectors such as agriculture, which are highly dependent on environmental stability. The bank may also face credit risk if borrowers involved in sustainable projects fail to generate expected returns. For instance, renewable energy projects may take longer to become profitable, creating uncertainty about the bank's financial returns on such investments. Environmental degradation and climate change are also major challenges for a bank to engage in sustainable finance.

Eco-efficiency adopted by banks: Greening the heart of finance

FROM PAGE J13

HVAC systems, insulation, motion-sensor lighting, and low-energy appliances across its facilities. Furthermore, the adoption of digital statements, e-signatures, and cloud-based documentation has drastically

cut down on paper consumption. Prime Bank is also transitioning its corporate vehicle fleet toward electric and hybrid models, reinforcing its commitment to eco efficient practices."

NCC Bank PLC has undertaken a series of effective initiatives to bring eco-efficiency into its daily operations.

Across both its Head Office and branch network, the Bank has introduced sensor-based lighting and sensor-controlled water distribution systems, while also maximising the use of natural daylight to reduce dependence on electricity. These measures not only lower energy and water consumption

but also create a more sustainable working environment.

Alongside resource management, NCC Bank is actively promoting a paperless culture. Official communication increasingly relies on e-mail rather than printed documents, while customer services

image lies a contradiction: the country's hot and humid climate makes such attire impractical, forcing banks to rely heavily on air conditioning to keep employees comfortable. This dress culture drives excessive energy consumption, inflates operational costs, and worsens the carbon footprint of financial institutions."

He suggests that professionalism does not have to mean discomfort or waste. Banks could embrace smart-casual attire, encourage the use of breathable cotton clothing sourced from Bangladesh's own textile industry, and adjust air conditioning settings to the global eco-standard of 24–26 degrees Celsius. By doing so, they would not only save energy but also support local industries and reduce the need for heavy cooling systems.

Taken together, these examples paint a clear picture: eco-efficiency in Bangladesh's banks is no longer an abstract concept but a living, evolving practice. Bangladeshi banks are demonstrating that financial institutions can reduce their environmental impact while maintaining — and in many cases enhancing — customer services and profitability.

Bangladesh is one of the most climate-vulnerable countries in the world, facing rising seas, erratic floods, cyclones, and extreme heat. Against this backdrop, banks embracing eco-efficiency is not a symbolic gesture; it is an urgent necessity. By reducing their own carbon footprints and financing greener projects, banks can both mitigate climate risks and build resilience in the wider economy.

Eco-efficiency is not only about infrastructure or digital systems. It also requires cultural change, and sometimes that means rethinking long-held traditions. Professor Main Uddin of the Department of Banking and Insurance at Dhaka University highlights one such issue: the dress culture of bankers.

"In Bangladesh's banking sector, the 'suited-and-booted' dress code has long been a symbol of professionalism," he observes. "Yet beneath this polished

For Bangladesh's banks, greening the heart of finance may prove to be one of the most important investments they ever make.



Building a future on inclusion and GENDER EQUITY

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Mohammad MAMDUDUR RASHID (MMR): Sustainable and green banking in Bangladesh has made noteworthy progress over the past decade, largely driven by the proactive leadership of Bangladesh Bank. The central bank has instituted clear regulatory guidelines and disbursement targets that mandate banks to allocate funds specifically for green finance and

demand — are firmly in place, scaling up innovative financing solutions remains a critical challenge. We still have some way to go before sustainable banking becomes a central pillar driving economic growth and climate resilience.

TDS: What sustainable financing/refinancing schemes does UCB offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

MMR: At UCB, our sustainable finance strategy is closely aligned with Bangladesh's national development priorities and global sustainability goals. We currently provide a range of green financing options covering renewable

involved in green and circular economy ventures. This ensures that sustainable development benefits are widely shared across various segments of society.

To facilitate client engagement and advisory support, UCB has established 50 Sustainable Finance Help Desks strategically located in key branches across the country. These desks are managed by a dedicated Sustainable Finance Unit that assists clients in navigating green finance options, securing refinancing facilities, and structuring environmentally responsible projects. This proactive outreach embeds sustainability into both our corporate and retail lending portfolios.

TDS: What initiatives has UCB undertaken to promote sustainable banking internally, and what measures have been implemented to reduce your own carbon footprint?

green opportunities.

On our operational front, UCB has implemented a suite of sustainability measures. We have rolled out energy-efficient technologies within our office premises and promoted digital banking to significantly reduce paper consumption.

TDS: What challenges has UCB encountered in adopting and promoting sustainable banking practices?

MMR: Several challenges have emerged as we strive to expand sustainable banking. The most pressing issue remains the scarcity of long-term local currency financing options suitable for high-capital green projects such as large-scale renewable energy installations and resilient infrastructure. These projects typically demand extended repayment tenors, but most banks operate with relatively short-term funding structures, creating a

differentiation. Our strategic priorities include:

- Significantly scaling up financing for renewable energy projects, including utility-scale solar and other clean technologies.
- Expanding SME-focused green lending, especially in sectors aligned with circular economy principles such as recycling, organic farming, and sustainable textiles.
- Introducing innovative financial instruments such as green bonds and sustainability-linked loans that incentivise positive ESG outcomes.
- Harnessing digital technologies like artificial intelligence and blockchain to improve transparency, track ESG performance, and support standardised reporting against Sustainable Development Goals (SDGs).

Our commitment to sustainability is woven into our governance and operational fabric.

Environmental and social considerations are mandatory in all credit assessments through the integration of the Environmental and Social Due Diligence (ESDD) checklist into our risk management framework.



MOHAMMAD MAMDUDUR RASHID

Managing Director & CEO, United Commercial Bank (UCB)

incorporate Environmental and Social Risk Management (ESRM) into their lending processes. This regulatory framework has transformed sustainable finance from a voluntary initiative into a core component of the banking sector's operations.

However, the sector is still in a transitional phase. While most banks are keen on meeting compliance obligations, the volume of sustainable financing remains modest relative to the vast investment needs of the country. Bangladesh is particularly vulnerable to climate change and natural disasters, necessitating large-scale investments in renewable energy, climate-resilient infrastructure, sustainable agriculture, and adaptation initiatives. Although the building blocks — regulatory support, growing awareness, and emerging

energy projects, energy efficiency improvements, green buildings, sustainable transport initiatives, and waste management solutions — both solid and liquid.

Recognising the pivotal role SMEs play in driving economic resilience, especially in rural and semi-urban areas, we have tailored specific financing programmes for small and medium enterprises engaged in sustainable business practices. These are complemented by refinancing schemes supported by Bangladesh Bank to improve affordability and ease of access.

Furthermore, we are committed to promoting financial inclusion and gender equity. UCB offers dedicated financing opportunities for women entrepreneurs

MMR: Our commitment to sustainability is woven into our governance and operational fabric. Environmental and social considerations are mandatory in all credit assessments through the integration of the Environmental and Social Due Diligence (ESDD) checklist into our risk management framework. This process involves ESG screening, environmental categorisation of projects, adherence to exclusion lists, and ongoing monitoring to ensure responsible lending.

Externally, we actively engage with clients to build capacities in sustainable business practices. Our Sustainable Finance Unit, supported by the branch help desks, conducts regular awareness sessions and provides hands on guidance on identifying

mismatch.

Additionally, the perception of higher upfront costs and technology risks deters many potential borrowers, even though the long-term economic and environmental benefits are substantial. Another hurdle lies in the limited technical expertise available among both banks and clients to develop bankable green projects and carry out thorough ESG assessments.

TDS: What are UCB's future plans to advance sustainable banking, and what support do you seek from the government?

MMR: Looking ahead, our vision is to transform sustainable finance from a compliance requirement into a catalyst for innovation, growth, and competitive

Expanding financing for green ASSETS AND PROJECTS

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Mosleh Uddin Ahmed (MUA):

Bangladesh now has a well-structured foundation for green banking, underpinned by strong commitment from the central bank. The sector has grown steadily since Bangladesh Bank (BB) issued comprehensive guidelines in 2011 and introduced refinance schemes for green products. All banks are required

plants, and effluent treatment plants. While progress is strong, full compliance with BB guidelines aligned to the UN SDGs requires more consistent implementation across all banks.

TDS: What sustainable financing/refinancing schemes does your bank offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

MUA: We serve our SME and agriculture clients through Bangladesh Bank refinance facilities in many underserved

of financial literacy among women, SJIBPLC frequently organises seminars and workshops on financial literacy for "Development of CMSME Women Entrepreneurs."

TDS: What initiatives has your bank undertaken to promote sustainable banking, and what measures have you implemented to reduce your own carbon footprint?

MUA: Shahjalal Islami Bank PLC (SJIBPLC) has been recognised by Bangladesh Bank as a Top Sustainable Bank in its prestigious Sustainability Rating 2024. Our Bank is uniquely positioned to act as a catalyst in Bangladesh's transition towards a greener and decarbonised economy. As a sustainable bank, we have embedded

paper, and toner consumption, we are committed to reducing carbon emissions and conserving natural resources in the days ahead, working towards a decarbonised world.

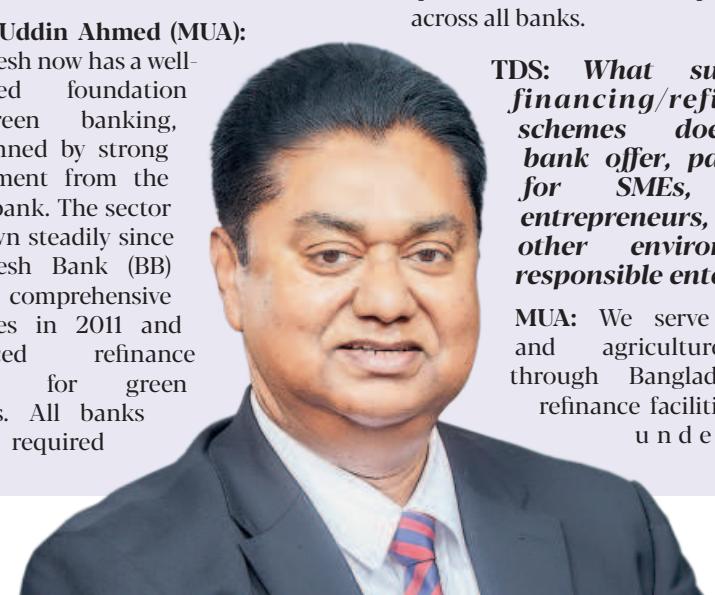
We are working to popularise our digital products, such as QR code-based transactions, green PINs for paperless credit and debit card activation, a PIN generation system, the Central Circular Management System (CCMS), and Shahjalal TouchPay.

TDS: What challenges has your bank encountered in adopting and promoting sustainable banking practices?

MUA: In adopting and promoting sustainable banking practices, three major

TDS: What are your bank's future plans to advance sustainable banking, and what support do you seek from the government?

MUA: SJIBPLC is committed to increasing financing in green assets and projects, including renewable energy, solid and liquid waste management, green buildings, low-carbon technologies, and energy-efficient capital machinery. We are dedicated to deploying our knowledge, capital, and capacities with impact, integrating sustainability into our investment decisions, and seeking collaborative partnerships to address global challenges. Together, we can build a sustainable future.



MOSLEH UDDIN AHMED

Managing Director, Shahjalal Islami Bank

to maintain green banking policies and submit quarterly reports, though implementation and disclosure standards vary, with some focusing more on revenue-linked initiatives than on core environmental concerns such as waste management.

In December 2020, BB introduced the Sustainable Finance Policy. By 2024, sustainable finance accounted for 39.66% of total banking sector investment, against the annual target of 20%, while green finance represented 13.29% of total term investment, well above the 5% target. Our Bank alone disbursed almost 90% of total investment as sustainable finance and 39.25% of term investment as green finance. Refinance facilities, including the Green Transformation Fund (GTF) and Technology Development Fund (TDF), further support environmentally friendly products such as solar energy, biogas

markets. SJIBPLC prioritises financing for women entrepreneurs. The Bank offers the Protasha investment scheme, specifically designed to provide financial assistance to women entrepreneurs in both urban and rural areas. While banks usually charge 13-14% profit for other borrowers, we provide investment facilities to women entrepreneurs at 5-6% profit rates, from both our own sources and Bangladesh Bank's refinance. We also provide collateral-free investment up to Tk. 25 lakh. Since NGOs have direct access to farmers, Shahjalal Islami Bank PLC disburses agricultural investment in crops, fisheries, and livestock mainly through NGO linkages.

The Bank is dedicated to empowering women entrepreneurs through promoting the Cottage, Micro, Small, and Medium Enterprises (CMSME) sector across the country. Understanding the importance

environmental considerations into our operations and financing decisions through strategic green investments and responsible banking to address environmental challenges.

By integrating Environmental, Social, and Governance (ESG) factors into our investment decisions, we proactively identify and manage risks that could impact the value of our portfolio, targeting net zero emissions gradually. We conduct Environmental and Social Due Diligence (ESDD) for every eligible investment client.

Keeping short-, medium- and long-term goals in consideration, SJIBPLC places high importance on environmental issues and decreasing carbon emissions, following SDGs and national strategies. For the first time, our Bank has measured its carbon emissions, which included both direct and indirect (Scope 1, 2 and 3) criteria. In terms of electricity, fuel, water,

challenges include lack of awareness, compliance, and implementation of reporting standards. There is a continuing need for greater awareness among both bankers and clients about the social and ecological impacts of financial activities. Banks and financial institutions must establish strong governance practices to adequately comply with sustainable finance reporting standards.

The lack of experts with in-depth knowledge of sustainable finance reporting, along with inadequate IT solutions to effectively assess and manage the vast amount of information required, makes it difficult for financial market players to meet PCAF and EU Taxonomy reporting requirements. Banks must therefore invest in training to build expertise in reporting requirements and ensure accurate and timely reports.

Sustainability is a core value for SJIB that governs our operations and decisions. All our initiatives are aligned with the United Nations Sustainable Development Goals (SDGs). As a leading private bank, we are working to reshape social and economic development in ways that are more broad-based, inclusive, and sustainable.

Building growth aligned with ENVIRONMENTAL RESPONSIBILITY

The Daily Star (TDS): How would you assess the current state of sustainable banking in Bangladesh?

Mohd. Rafat Ullah Khan (MRUK): Bangladesh has made very good progress in sustainable and green banking. What once started as small steps has now become a national movement, supported by Bangladesh Bank along with the Government of Bangladesh. Together, they have created a system where banks play a big role in protecting nature while financing growth.

Today, banks are giving more attention to green, environment friendly and sustainable projects in small businesses. This is a sign that sustainable banking is no longer just an idea—it is now becoming

part of our financial culture.

At Al-Arafah Islami Bank, we are proud to be ahead in this journey. In 2024, our green finance share was 35.15 percent and sustainable finance was 35.60 percent—much higher than the national target set by Bangladesh Bank. This shows our strong commitment as well as the growing interest of our clients in eco-friendly projects.

TDS: What sustainable financing schemes does your bank currently offer, particularly for SMEs, women entrepreneurs, or other environmentally responsible enterprises?

MRUK: Our vision is clear: we want to support growth that leaves no harm on nature. To do this, we actively participate

organisation taken to promote sustainable banking, and what measures have you introduced to reduce your own carbon footprint?

MRUK: Our offices are becoming more energy-efficient, digital banking reduces paper use, and everyday practices are being redesigned to lessen our footprint.

Externally, we prioritise green projects such as solar home systems, effluent treatment plants, environment-friendly brick manufacturing, recycling industries, organic farming, green buildings, and ICT-driven services. We have also invested in innovative instruments like Green Sukuk, showing our willingness to embrace new models of financing. Beyond financing, we organise capacity-building programmes and awareness campaigns to help clients and entrepreneurs see sustainability as a

TDS: What challenges has your bank faced in adopting and promoting sustainable banking practices?

MRUK: Rather than calling them challenges, we prefer to see them as opportunities for growth and leadership. Green projects often require modern technologies and significant upfront investment, but this opens the door for banks like ours to innovate, partner with global experts, and bring advanced solutions to Bangladesh's financial sector.

Awareness is another area where we are making steady progress.

lead with purpose, and we are proud to embrace it.

TDS: Looking ahead, what are your bank's future plans to advance sustainable banking, and what support do you expect from the government?

MRUK: Our vision is to advance with all related parties for a safer, greener, and more inclusive future.

In the upcoming years, we will expand our



Every decision we make at our bank is guided by a simple belief: sustainability matters for inclusive growth. We help entrepreneurs build greener businesses, from solar energy projects to eco-friendly manufacturing, while also rethinking how we operate.

in several financing and refinancing schemes introduced by Bangladesh Bank. These include the Refinance Scheme for Green Projects and Initiatives, the Green Transformation Fund (in Taka, USD and Euro), and the Technological Development and Upgradation Fund.

What makes these initiatives truly effective is that they are simple and affordable. The investment rate is kept at just 5 percent, which encourages entrepreneurs to confidently step into sustainable ventures. We also give special priority to women entrepreneurs, because their participation is vital for creating a fair, strong, and eco-friendly economy.

TDS: What initiatives has your

long-term strategy for success. Our CSR initiatives complement this by investing in health, education, and environmental conservation.

Internally, we take responsibility for our own footprint. Guided by our "Green Office Guide," we have adopted energy-efficient lighting, auto-sensor systems, eco-fonts for printing, e-mailing and paperless processes. We have introduced solar power in branches, encouraged online meetings and training, and shifted to full business process automation to minimise paper usage. Our digital banking transformation—through e-statements, mobile banking, and online services—not only improves customer convenience but also cuts down on discharges and waste.

Many clients are still learning about the true potential of sustainable projects, and we see this as our responsibility to guide, educate, and build trust. This way, sustainability is no longer seen as a burden but as a new horizon of opportunity for entrepreneurs and businesses.

Most importantly, Bangladesh's own climate vulnerability gives our work greater urgency and purpose. We see it as a call to action. That is why we are committed to deepening our partnerships with regulators, government offices, and communities to create solutions that work for people and banking practices. For us, sustainable banking is not only a challenge but also an opportunity to

investments in green and sustainable products, strengthen awareness and training programmes for both employees and clients, enhance governance for efficient resource use, and ensure the best utilisation of the Climate Risk Fund.

However, progress is always faster when the private sector and government move together. We believe the government's continued support will be key—particularly in areas such as tax holidays for energy-efficient capital machinery, subsidised financing for green initiatives, and a simplified certification process for identifying genuine green projects.

Eco-efficiency adopted by banks: Greening the heart of finance

FROM PAGE J16

Staff awareness programmes, Environment Week campaigns, and gender diversity initiatives illustrate that eco-efficiency is not only about technology or infrastructure but also about cultivating the right values and behaviours. The Bank sees sustainability as a culture that must be lived daily, not merely a target in annual reports.

Dhaka Bank PLC offers another compelling example of how eco-efficiency is becoming mainstream in banking. Mukarram Hossain Chowdhury, Senior Executive Vice President, underscores the Bank's steady transition to greener operations.

"At Dhaka Bank, sustainability starts within our own operations. We are steadily transitioning to eco-efficient practices by digitising processes—such as online bill submission—to reduce paper usage, and by installing energy-efficient lighting across our head office and branches. We are also integrating hybrid vehicles into our fleet to improve fuel efficiency. In parallel, we

promote digital banking solutions which enhance customer convenience while reducing commuting-related emissions."

Eastern Bank PLC (EBL) has pushed the eco-efficiency conversation further by embedding sustainability directly into its physical infrastructure. Managing Director Ali Reza Iftekhar highlights the green transformation beginning with the Bank's head office.

"At Eastern Bank PLC, we believe true transformation begins within. Our journey toward eco-efficiency starts at our Head Office, a green-certified building designed to minimise environmental impact. Solar glass louvers generate 16 kW of clean electricity daily, while rainwater harvesting and on-site wastewater treatment systems reduce reliance on scarce natural resources. The premises are also a plastic-free zone, where single-use bottles and folders have been replaced with sustainable alternatives."

This infrastructural innovation is complemented by a strong digital first mindset. EBL has streamlined LC documentation, cutting paper use by nearly half. Its platforms—such as EBL Connect and SkyPay—are steadily reducing reliance on cash-based systems. In 2024 alone, SkyPay enabled over 10 million cashless transactions, while the Bank's digital onboarding for non-resident Bangladeshi customers expanded financial inclusion.

EBL's approach demonstrates how eco-efficiency can be embedded in both brick-and-mortar design and everyday customer processes. Sustainability is not treated as an add-on but as an organising



Staff awareness programmes, Environment Week campaigns, and gender diversity initiatives illustrate that eco-efficiency is not only about technology or infrastructure but also about cultivating the right values and behaviours.

principle across the Bank's operations.

Prime Bank PLC is another institution that has made eco-efficiency a defining element of its internal culture. Deputy Managing Director and Chief Risk Officer, Md. Ziaur Rahman, points to the Bank's success in weaving sustainability into both strategy and daily practice.

"Prime Bank PLC has made significant progress in this area by integrating sustainability into both its strategic framework and day-to-day operations. The Bank has introduced energy-efficient lighting,

মার্কেটেইল ব্যাংক হোম লোন

**গড়ে তুলুন আপনার
স্বপ্নের ঘাসি**

৫ লাখ থেকে ২ কোটি টাকা পর্যন্ত ঋণ সুবিধা

সর্বোচ্চ ২৫ বছরে ঋণ পরিশোধের সুযোগ

দ্রুততম সময়ে লোনপ্রাপ্তির বিশ্বাস্তা

সেমি-পাকা বাড়ি নির্মাণে লোনপ্রাপ্তির সুবিধা

প্রবাসীদের জন্যও লোনপ্রাপ্তির সুবিধা

ইউনিয়ন পরিষদ এলাকায় অনুমোদিত নকশা মা থাকলেও জমির মূল্যের উপর ভিত্তি করে ঋণের সুবিধা



SUSTAINABLE FINANCE IN BANGLADESH

Sustainable Finance Across All Banks & Finance Companies (January – March 2025)

Total Sustainable Finance: BDT 1, 49, 819.05 Crore

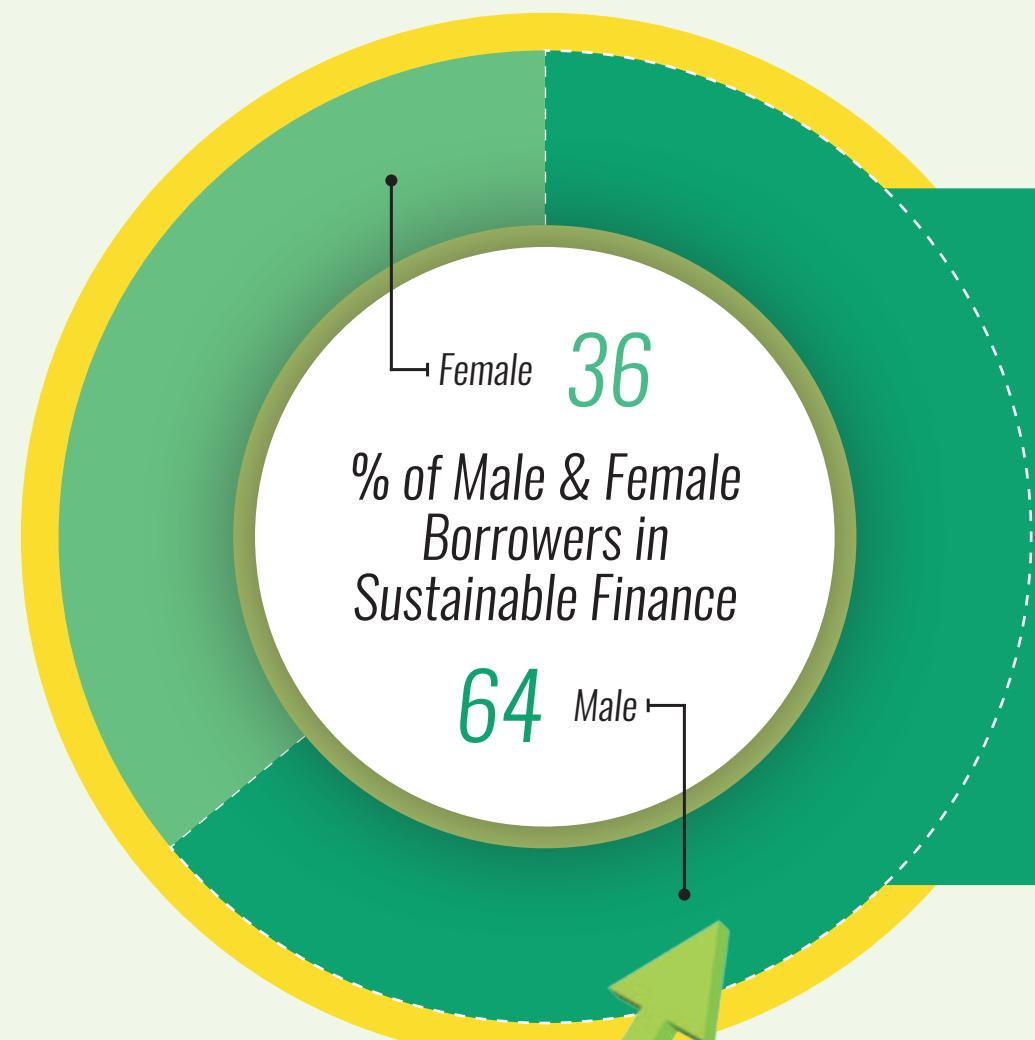
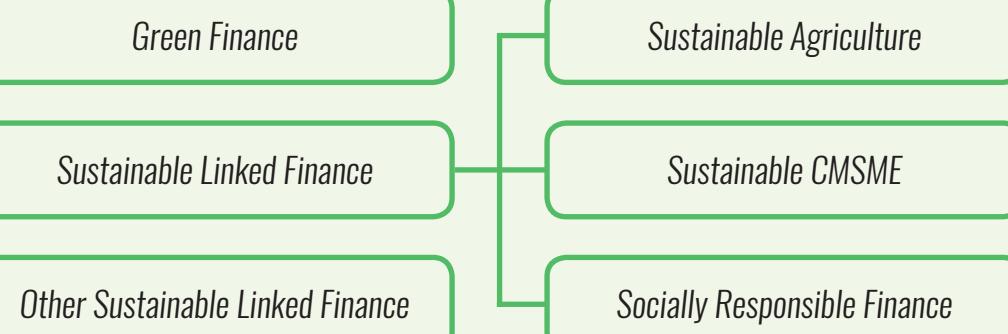
Total Number of Borrowers: 25,79,958

Total Sustainable Linked Finance 141055.58

Total Green Finance 8,763.47



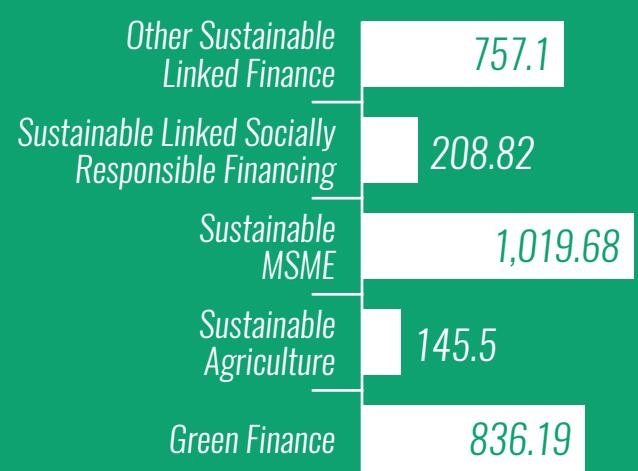
Sustainable Finance



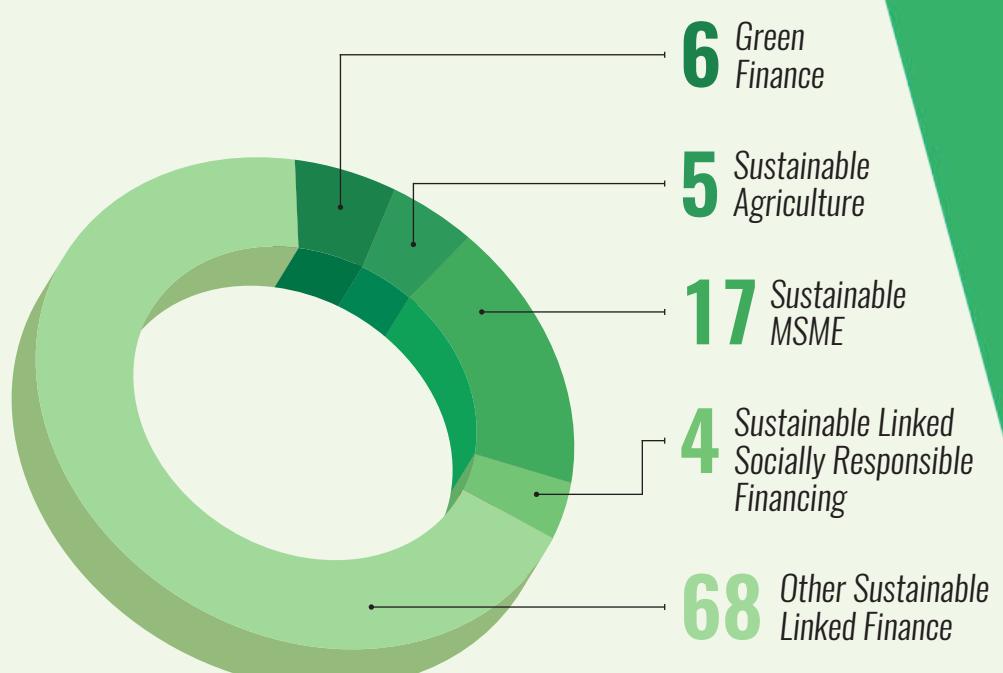
Sector-wise Sustainable Finance by Banks (in BDT crore)



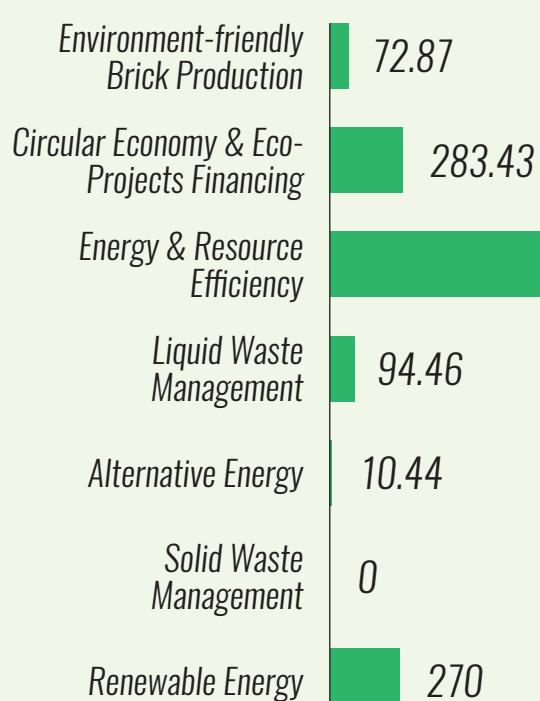
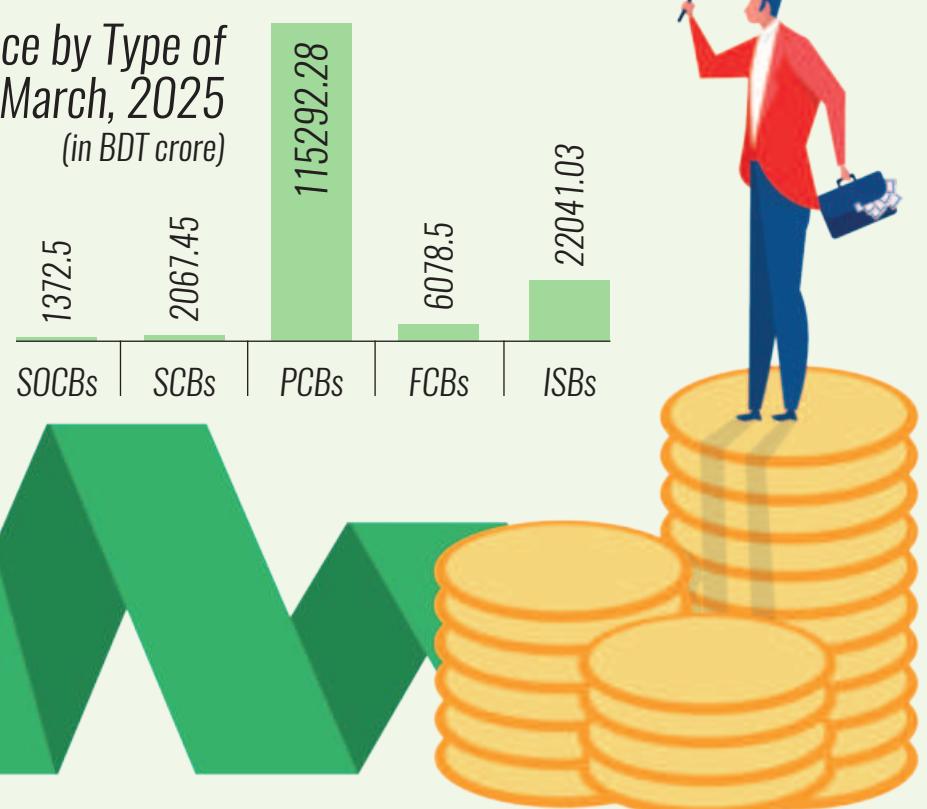
Sector-wise Sustainable Finance by Finance Companies (in BDT crore)



Sustainable Finance by Banks and FIs in Different Sectors (in %)



Sustainable Finance by Type of Banks, January-March, 2025 (in BDT crore)



Category-wise Green Finance by Banks, January-March, 2025 (in BDT crore)

3,221.66

Rural-Urban Distribution of Borrowers Across Banks



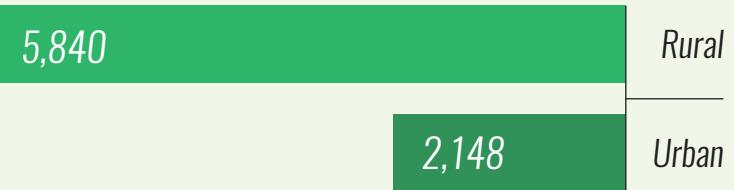
Green Finance as % of Total Term Loan Disbursement (2020-2024)



Quarterly Trend of Green Finance by Banks (in BDT Crore)



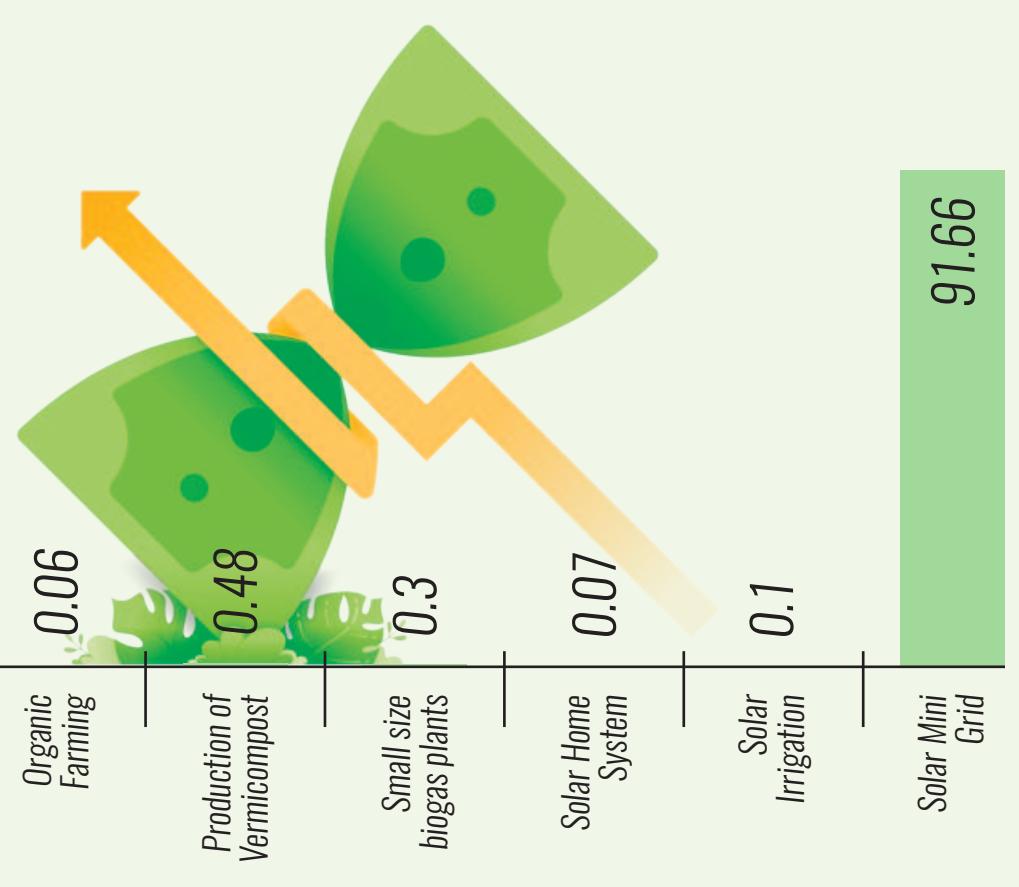
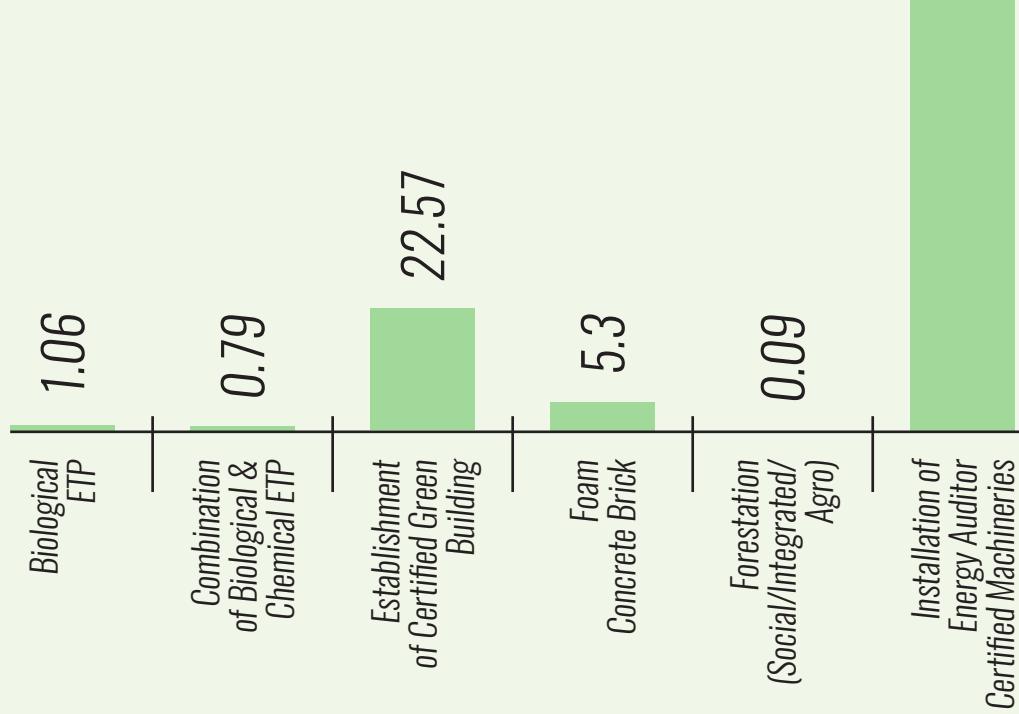
Rural-Urban Distribution of Borrowers Across Finance Companies



Sustainable Finance as % of Total Term Loan Disbursement (2021-2024)



Bangladesh Bank Refinance Scheme Disbursement for Environment-friendly Products/Initiatives, January-March 2025 (in BDT crore)



SOURCE: BANGLADESH BANK

Eco-efficiency adopted by banks: Greening the heart of finance

MUJIB RAHMAN

The banking sector in Bangladesh has long been associated with financial discipline, professionalism, and a highly structured corporate culture. Yet today, as climate risks deepen and sustainability takes centre stage globally, banks are being asked to assume a new role: champions of environmental responsibility. The shift is not cosmetic. It is a response to a growing recognition that banks are not only financiers of the economy but also major institutions whose operations, culture, and policies directly influence environmental outcomes.

At the heart of this transformation lies the concept of eco-efficiency — delivering more



In Bangladesh's banking sector, the 'suited-and-booted' dress code has long been a symbol of professionalism," he observes. "Yet beneath this polished image lies a contradiction: the country's hot and humid climate makes such attire impractical, forcing banks to rely heavily on air conditioning to keep employees comfortable.

value with fewer environmental costs. Across Bangladesh, eco-efficiency is gradually becoming embedded in banking practice. Rooftop solar panels, digital-first operations, paperless systems, energy-efficient buildings, and even rethinking the formal "suit and tie" dress culture are now part of an evolving conversation. The once conservative and tradition-bound banking sector is slowly reimagining itself as a greener and more responsible industry.

City Bank PLC has emerged as one of the early leaders in embedding eco-efficiency within its operational framework. Mohammad Firoz Alam, the Bank's Chief Risk Officer, emphasises the breadth of its approach.

"City Bank is committed to operating in an eco-efficient and sustainable manner, integrating environmental and social considerations into

its internal operations," he explains. "To reduce its environmental footprint, City Bank is progressively installing rooftop solar and Solar Home Systems at branches, sub-branches, and ATMs. The Bank also emphasises digitalisation and a 'Go Paperless' strategy by leveraging digital documentation, collaboration tools, and measures to reduce printing. Energy efficiency is further enhanced using LED lighting, energy-efficient devices, motion and occupancy sensors, daylight-responsive dimming, and behavioural awareness

SEE PAGE J13

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BRAC BANK RANKS 1st

AMONG BANGLADESHI ORGANIZATIONS IN THE ESG RATING OF BLOOMBERG

ESG RATING: 3.80

UCB

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* The rate of return is calculated on an annual basis
* T&Cs Apply

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