

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



TAREQ REFAT ULLAH KHAN
Managing Director & CEO (Current Charge), BRAC Bank

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.

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.

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 (SMTLR), 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.

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

Green Finance	53
Sustainable Agriculture	22
Sustainable MSME	4
Sustainable Linked Socially Responsible Financing	18
Other Sustainable Linked Finance	3

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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.

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