

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.

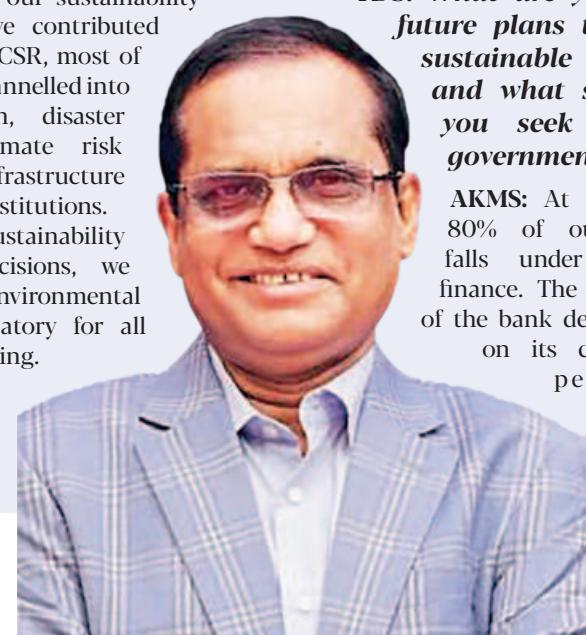
Our CSR contributions also play an important role in our sustainability standing. We have contributed Tk 1,200 crore to CSR, most of which has been channelled into education, health, disaster management, climate risk mitigation, and infrastructure development for institutions.

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.

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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 প্লাটফর্ম, পরিবেশবান্ধব টিক্ক ফিল্ট এবং বায়া-গ্যাস প্লাটফর্ম এর মাত্র অত্যন্ত শুরুসূর্য গ্রিন প্রজেক্টে বাস্তবায়ন করার জন্য আমাদের অর্থায়নের বিশেষ সুরক্ষিত গ্রিন ব্যাংক রয়েছে। এছাড়াও, পরিবেশ বক্ষায় আমরা প্রয়োজন অনুযায়ী কাগজ, ইলেক্ট্রুসিটি ও জ্বালানী গ্যাসের পরিমিত ব্যবহার নিশ্চিত করে আসছি।

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