



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 (NBFIs) 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).

Private banks are taking active roles in implementing these measures.

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



SEE PAGE J8



Sustainability Rating Recognition Ceremony

Sustainability Rating 2024

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

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 excellence 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.

With an environmentally friendly financial approach and responsible service, we build a sustainable future.



Dutch-Bangla Bank

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