

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



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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 Muldhan:** 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.

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.

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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.

If adopted across the sector, eco-efficiency could transform Bangladesh's banking system into a model of responsible growth. More importantly, it would show that in a nation where climate vulnerability is a daily reality, sustainable banking is not only possible but profitable, practical, and deeply necessary.

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

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

are also becoming greener. The Bank has launched its Green PIN service for cardholders, allowing PINs to be generated digitally, and has discontinued thermal paper receipts at ATMs to cut down on waste.

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

