

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



MOHD. RAFAT ULLAH KHAN
Managing Director (CC), Al-Arafah Islami Bank

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

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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

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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,

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