



**Sustainable Finance Department  
Bangladesh Bank  
Head Office**

## **Quarterly Review Report on Sustainable Finance of Banks & Finance Companies**



**April-June, 2024**

## Executive Summary

The concern for environmental sustainability and inclusive growth has given mass recognition to the concept of corporate social responsibility and inclusive finance. In an emerging economy like Bangladesh, environmental management needs to be the key focus area of the business fraternity especially the banking industry being the major intermediary. Addressing environmental and social risks associated with financing activities by banks/Finance Companies is a “must do” step in overall Credit Rating for credit approval. Stricter monitoring thereafter disbursement must go on. Accordingly, Bangladesh Bank has also integrated issues of socially responsible initiatives along with core activities of banks/FIs driving towards sustainable finance strategies.

Green and sustainable interventions and frameworks are crucial for making future development more sustainable. Forming sustainable frameworks are very much within the broader scope of sustainable development agenda of a country like Bangladesh. Banks and Finance Companies hold a unique position in an economic system that can affect production, business and other economic activities through their financing activities, and thus also influence environmental risk management in real economy, and sustainable growth. These institutions can accelerate the movement of a clean world to a large extent. For instance, these institutions can implement a 'go-green' policy for themselves and encourage client firms to adopt clean technology. In the long-term, this strategy is expected to be favorable for firms, to reduce the cost and induce the access to the new market. To advance their interest, all the financial institutions should follow the carbon footprint of their clients or projects to ensure overall sustainability.

For the first time Bangladesh Bank (BB) has defined ‘Sustainable Finance’ for Banks & FIs. This report entails the information on all the policy initiatives and operational approaches on Sustainable finance taken by BB, and the Sustainable Finance activities of Banks & Finance Companies from April 01 to 30 June, 2024 timeline. It also covers green finance/investment by 61 scheduled banks and 34 Finance Companies under refinance scheme.

### Green Finance by Banks (Period: Apr-June, 2024)

69,789.00 million BDT

### Green Finance by Finance Companies (Period: Apr-June, 2024)

9,926.39 million BDT

### Sustainable Finance by Banks (Period: Apr-June, 2024)

11,38,078.29 million BDT

### Sustainable Finance by Finance Companies (Period: Apr-June, 2024)

29,920.96 million BDT

## Table of Contents

Sl No.	Topics	Page No.
1	Introduction	1
2	Policy Chronology and Refinancing Initiatives of BB	2-4
3	At a Glance Sustainable Finance (Period: January-March, 2024)	4-11
4	Review on Sustainable Finance Activities of Banks and Finance Companies	12-17
5	Review on Refinancing Schemes of BB for Green Finance	17-19
6	Concluding Remarks	19

## 1. Introduction

Sustainability has become one of the mainstream considerations in the financial sector. Bangladesh by its geography is a highly vulnerable country of climate change. Recognizing that the financial sector can play a catalytic role in speeding up adoption of environmentally friendlier output practices in the real economy; Bangladesh Bank (BB) has become role model by pioneering green banking initiatives by guiding proactively the banks and NBFIs since 2011. In this context, Sustainable Finance initiatives of BB broadly categorized into the following aspects: policy initiatives, monitoring of Sustainable Finance activities of Banks and Finance Companies, refinance support from BB in diverse green products/sectors, and BB's own initiatives for environmental management. Introduction of Sustainable Finance Policy has given an ample opportunity for the Banks and Finance Companies to contribute to inclusive Sustainable Green Growth where Green Finance, Sustainable Agriculture, Sustainable CMSME, Socially Responsible Financing, other financing and CSR activities linked to sustainability is structurally addressed. Sustainable Finance refers to the business conducted in such areas and in such a manner that help the overall reduction of external carbon emission and internal carbon footprint.

The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the banking sector can play an intermediary role between economic & social development and environmental protection, for promoting environmentally sustainable and socially responsible investment.

Quarterly Review Report on Sustainable Finance has been introduced not only for the green banking activities but also covering all the components of sustainable finance under Sustainable Finance Taxonomy. This report reflects a review of Banks and Finance Companies efforts concerning People, Planet and Profit.

## 2. Policy Chronology and Refinancing Initiatives of BB

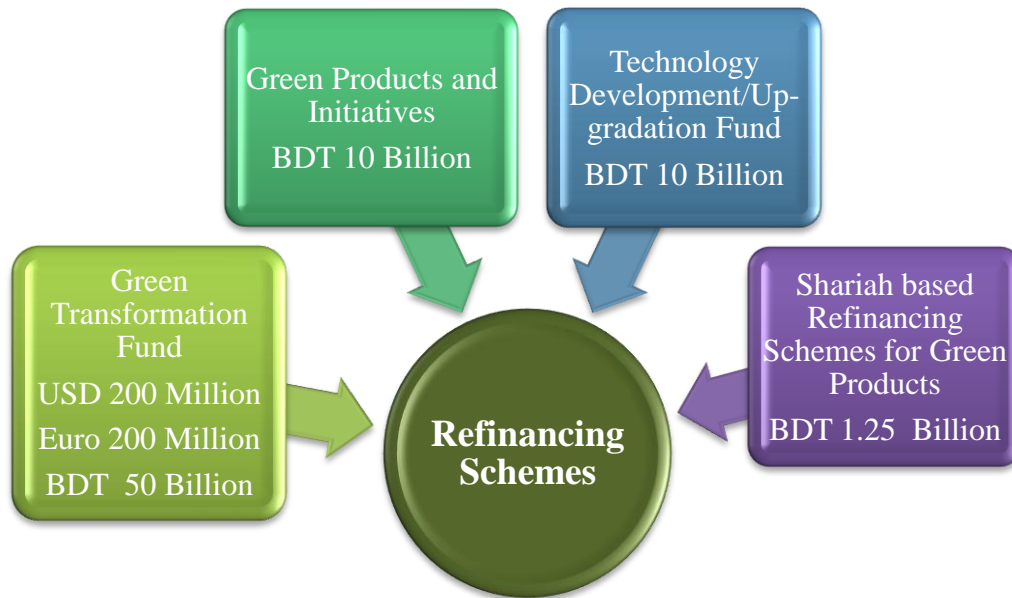
### 2.1 Policy Chronology:

Circular/Circular Letter No.	Date	Particulars
BRPD Circular No.01/2011	30.01.2011	Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions has been issued.
BRPD Circular No. 02/2011	27.02.2011	Green Banking Policy Guidelines for Banks has been issued.
GBCSRD Circular No. 04/2013 & Letter No. 05/2013	11.08.2013 & 11.09.2013	Policy Guidelines for Green Banking was also issued for the Financial Institutions (FIs) and for the banks scheduled in 2013.
GBCSRD Circular No. 04/2014	04.09.2014	From January 2016 onwards minimum target of direct green finance was set at 5% of the total funded loan disbursement/investment for all banks and FIs.
GBCSRD Circular No. 04/2015	09.07.2015	Banks and FIs were instructed to form a 'Climate Risk Fund' having allocation at least 10% of their Corporate Social Responsibility budget.
FEPD Circular No. 02/2016	14.01.2016	Green Transformation Fund for export oriented textile & textile products and leather manufacturing industries.
SFD Circular No. 01/2016	11.05.2016	Banks & FIs have been instructed to set up Solid Waste Management System, Rainwater Harvesting and Solar Power Panel in their newly constructed or arranged building infrastructure.
SFD Circular No. 02/2016	04.12.2016	All banks and FIs to establish Sustainable Finance Unit and Sustainable Finance Committee by abolishing both Green Banking and CSR units.
SFD Circular No. 03/2016	08.12.2016	All the banks & FIs must ensure the establishment and activeness of Effluent Treatment Plant (ETP) during financing to all possible clients.
SFD Circular No. 02/2017	08.02.2017	Guidelines on Environmental and Social Risk Management (ESRM) for Banks and Financial Institutions along with an Excel-based Risk Rating Model have been issued.
SFD Circular No. 04/2017	06.09.2017	A comprehensive list of product/initiatives of Green Finance for banks and FIs has been circulated.
SFD Circular No. 02/2018	05.04.2018	Master Circular for Islamic Refinance Scheme.
SFD Circular No. 01/2019	04.04.2019	Accreditation of all the scheduled banks & FIs' investment in impact fund as Green Finance.
FEPD Circular No. 20/2020	15.04.2020	Introduction of Euro in Green Transformation Fund.

Circular/Circular Letter No.	Date	Particulars
SFD Circular No. 03	08.07.2020	Refinancing/on lending scheme of USD 200 million and Euro 200 million under Green Transformation Fund (GTF).
SFD Circular No. 04	28.07.2020	Guidance Note for on-lending/refinancing under Green Transformation Fund (GTF).
SFD Circular No. 05	31.12.2020	Sustainable Finance Policy for Banks and Financial Institutions.
SFD Circular No. 06	31.12.2020	Sustainability Rating for Banks and Financial Institutions.
SFD Circular No. 01	11.01.2021	Target and Achievement of Sustainable Finance & Green Finance.
SFD Circular No. 02	17.01.2021	Refinance Fund for Technology Development/Up-gradation of Export Oriented Industries.
SFD Circular No. 01	09.01.2022	Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions.
SFD Circular No. 03	26.06.2022	Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh.
SFD Circular No. 04	24.07.2022	Refinance Scheme for Environment Friendly Products/Projects/Initiatives
SFD Circular Letter No.02	18.09.2022	Regarding Dedicated Sustainable Finance Help Desk
SFD Circular No. 05	20.09.2022	Policy on Green Bond Financing for Banks and FIs
SFD Circular No. 07	07.12.2022	Green Transformation Fund (GTF) in Taka for export and manufacturing-oriented industries.
SFD Circular No. 01	23.03.2023	Showing the expenditure related to promote use of Bangla-QR as CSR
SFD Circular Letter No. 01	08.06.2023	Refinance Fund for Technology Development/Up-gradation of Export Oriented Industries.
SFD Circular No. 02	30.08.2023	Refinance Scheme for Environment Friendly Products/Projects/Initiatives
SFD Circular No. 03	22.10.2023	Sustainable Finance Policy
SFD Circular No. 04	22.10.2023	Sustainability Rating of Banks and Financial Institutions
SFD Circular No. 05	23.11.2023	Formation, Management Procedure of Climate Risk Fund and Reporting of Half Yearly CSR Activities.
SFD Circular Letter No. 02	28.11.2023	Sustainable Finance Reporting Format
SFD Circular No. 06	26.12.2023	Guideline on Sustainability and Climate-related Financial Disclosure
SFD Circular Letter No. 01	09.05.2024	Sustainability Rating of Banks and Finance Companies



## 2.2 Refinancing Initiatives of BB:



## 3. At a Glance Sustainable Finance (Period: April-June, 2024)

### 3.1 Sustainable Finance:

#### A. Highlights:

Issue	Banks	Finance Companies	Total
Green Finance (in million BDT)	69,789.00	9,926.39	79,715.39
Green Finance as % of Total Term Loan Disbursement	15.38%	30.23%	16.38%
Sustainable Linked Finance (in million BDT)	10,68,289.29	19,994.57	10,88,283.86
Sustainable Finance (in million BDT)	11,38,078.29	29,920.96	11,67,999.25
Sustainable Finance as % of Total Loan Disbursement	42.52%	21.34%	41.46%

#### B. Sector-wise Sustainable Finance:

Sustainable Finance by Banks & Finance Companies (Amount in Million Taka)						
Issue	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable MSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
	1				2	1+2
Banks	84,061.85	2,16,536.78	61,768.29	7,05,922.37	69,789.00	11,38,078.29
Finance Companies	1,103.20	6,269.50	698.90	11,922.97	9,926.39	29,920.96
<b>Total</b>	<b>85,165.05</b>	<b>2,22,806.28</b>	<b>62,467.19</b>	<b>7,17,845.34</b>	<b>79,715.39</b>	<b>11,67,999.25</b>

### 3.2 Number of Borrowers in Sustainable Finance:

#### A. Sector-wise:

Number of Borrowers in Sustainable Finance by Banks & Finance Companies						
Issue	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable CMSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
	1				2	1+2
Banks	5,05,392	71,780	4,03,306	40,613	4,46,226	14,67,317
Finance Companies	312	863	4478	501	271	6,425
<b>Total</b>	<b>5,05,704</b>	<b>72,643</b>	<b>4,07,784</b>	<b>41,114</b>	<b>44,6497</b>	<b>14,73,742</b>

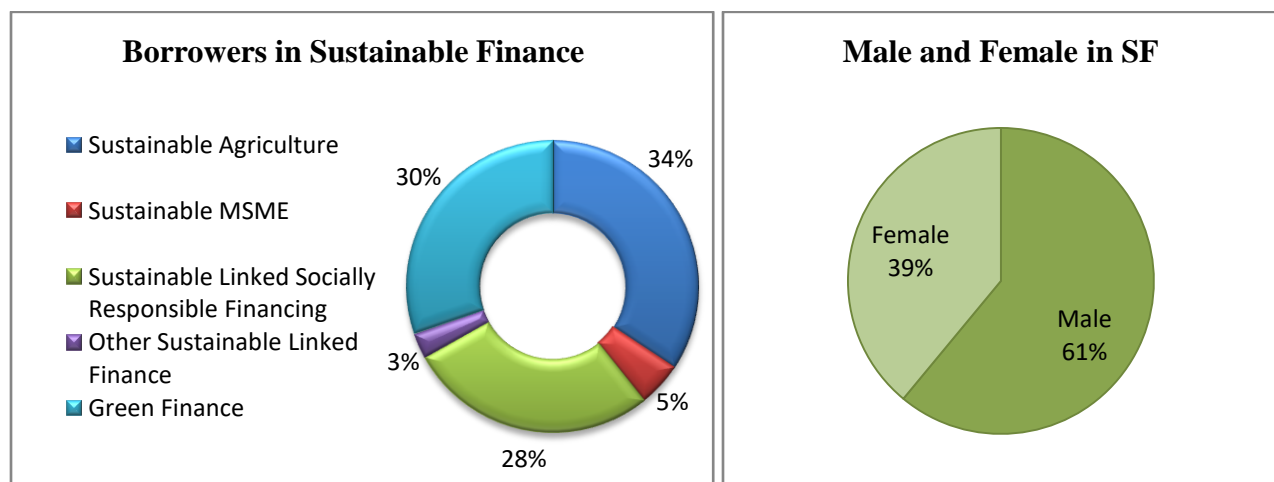
#### B. Gender-wise:

Number of Borrowers in Sustainable Finance	Male	Female	Total
Banks	8,97,308	5,70,009	14,67,317
Finance Companies	1,819	4,606	6,425
<b>Total</b>	<b>8,99,127</b>	<b>5,74,615</b>	<b>14,73,742</b>

#### C. Rural-Urban wise:

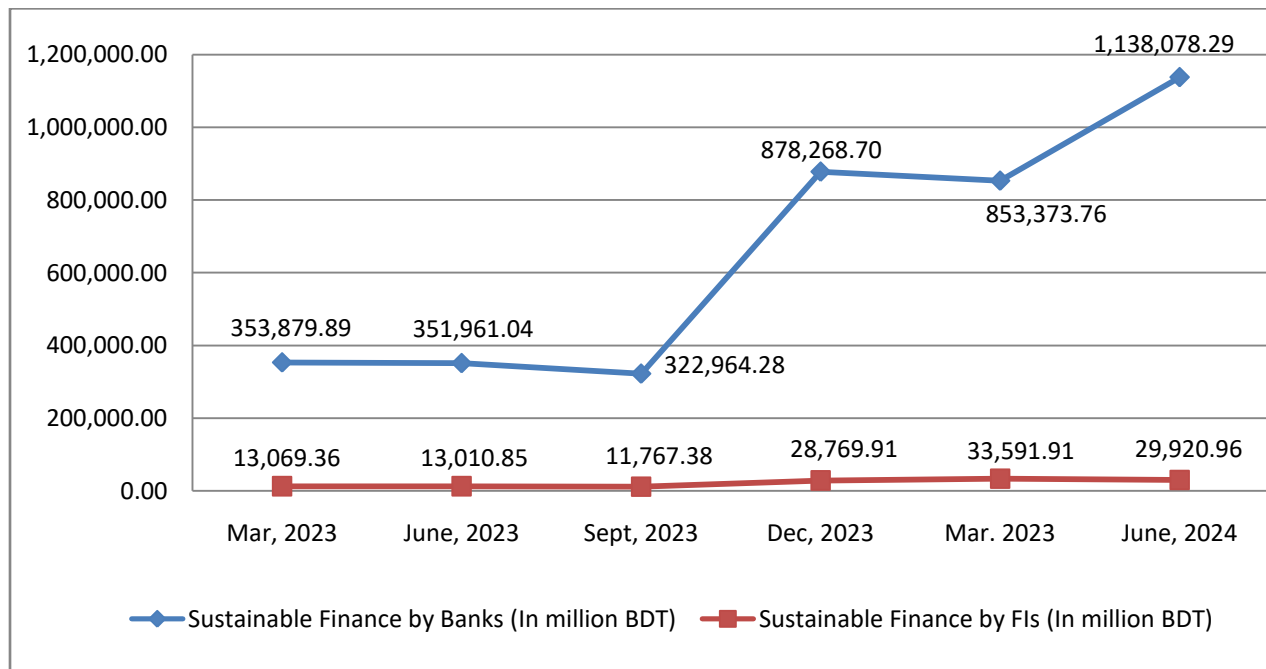
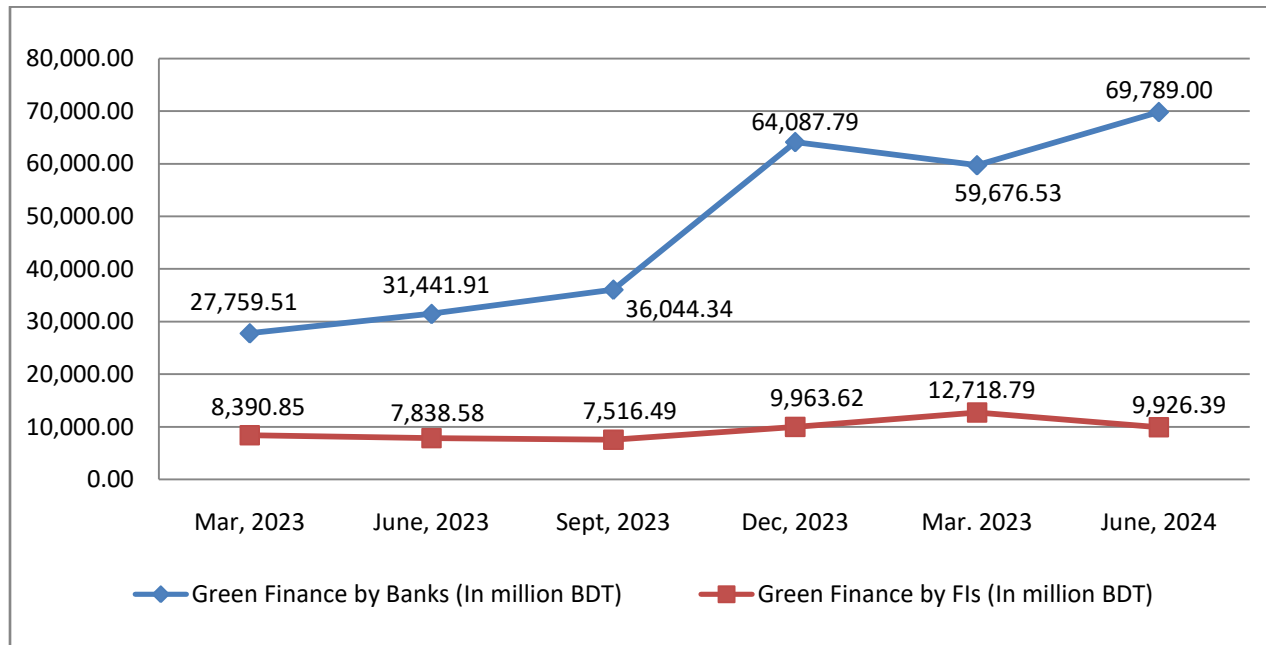
Number of Borrowers in Sustainable Finance	Rural	Urban	Total
Banks	9,66,696	5,00,621	14,67,317
Finance Companies	4,701	1,724	6,425
<b>Total</b>	<b>9,71,397</b>	<b>5,02,345</b>	<b>14,73,742</b>

#### D. Graphical Representation of Borrowers in Sustainable Finance as percentage





### E. Quarterly Trend of Green Finance & Sustainable Finance



In April-June, 2024 period Banks and Finance Companies total contribution of Green Finance is 79,715.39 million taka which is 7,320.07 million taka greater than January-March, 2024 period. In April-June, 2024 period Banks and Finance Companies total contribution of Sustainable Finance is 11,67,999.25 million taka which is 2,81,033.58 million taka greater than January-March, 2024 period.

**F. Year Wise Performance of Green Finance & Sustainable Finance:**

Issue	2020	2021	2022	2023	2024 (Jan-June)
Green Finance (in million BDT)	1,19,299.26	72,328.50	1,22,264.65	1,93,043.08	1,52,110.72
Green Finance as % of Total Term Loan Disbursement	3.96%	3.06%	4.97%	7.25%	14.67%
Sustainable Linked Finance(in million BDT)	-	7,53,188.24	11,85,357.70	17,80,648.32	19,02,854.21
Sustainable Finance (in million BDT)	-	8,25,516.74	13,07,622.35	19,73,691.40	20,54,964.93
Sustainable Finance as % of Total Loan Disbursement	-	8.04%	11.59%	17.23%	36.68%

**3.3 Utilization of Climate Risk Fund:**

Total utilization of Climate Risk Fund in the review quarter is 26.63 million taka.

Climate Risk Fund	Number			Amount		
Issue	Banks	FIs	Total	Banks	FIs	Total
Events	18	1	19	14.11	0.05	14.16
Projects	18	3	21	8.19	1.77	9.97
Concessional Loan	0	1	1	0	2.5	2.5

**3.4 Environmental & Social Risk Management:**

Issue	Banks	FIs	Total
Number of Projects Rated	1,50,898	1,662	1,52,560
Number of Rated Projects Financed	1,19,164	1,551	1,20,715
Amount of Rated Projects Financed (in million BDT)	12,28,050.57	31,228.80	12,59,279.37

**3.5 Environmental Conservation in Business Centers (Data Shown as Cumulative):**

Issue	Banks	FIs	Total
Number of Solar Powered Branches	568	5	573
Number of Branches with Rainwater Harvesting	6	2	8
Number of Branches with Solid Waste Management System	1572	71	1643
Number of Solar powered ATM Booths	162	-	162
Number of Solar Powered Agent Outlets	37	-	37
Online branches (as % of total branches)	97.21%	32.02%	95.78%

**3.6 Leading Banks & FIs achievement in Sustainable Finance & Green Finance<sup>1</sup>:****A. Sustainable Finance (Period: April - June, 2024)**

<b>Name of the Banks</b>	<b>Target Attainment</b>	<b>Name of the Finance Companies</b>	<b>Target Attainment</b>
BRAC Bank PLC	95.95%	Alliance Finance PLC	97.29%
Jamuna Bank PLC	90.86%	Bangladesh Infrastructure Finance Fund Ltd	90.43%
NRB Bank Ltd	90.13%	IPDC Finance Ltd	82.11%
Eastern Bank PLC	89.98%	United Finance Ltd	70.20%
Prime Bank PLC	88.19%	Infrastructure Development Company Limited (IDCOL)	67.17%
EXIM Bank PLC	88.10%	Bangladesh Finance Limited	67.14%
City Bank PLC	87.03%	IDLC Finance PLC	51.17%
United Commercial Bank PLC	79.40%	Agrani SME Financing Company Ltd	39.65%
The Premier Bank PLC	78.12%	Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd (SABINCO)	39.25%
Mutual Trust Bank PLC	74.84%	LankaBangla Finance PLC	31.26%
Bank Asia PLC	72.37%	National Finance Ltd	30.42%
State Bank of India	65.79%	The UAE-Bangladesh Investment Co. Ltd	25.01%
National Bank PLC	61.18%	Meridian Finance and Investment Ltd	24.23%
Rajshahi Krishi Unnayan Bank	59.20%		
Trust Bank Ltd	52.48%		
Bangladeh Krishi Bank	45.05%		
Uttara Bank PLC	43.53%		
Al-Arafah Islami Bank PLC	40.31%		
BASIC Bank Ltd	33.69%		
Standard Bank PLC	29.17%		
NCC Bank PLC	28.60%		
Social Islami Bank PLC	25.32%		
Dutch-Bangla Bank PLC	24.68%		
Pubali Bank PLC	23.98%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	23.90%		
Standard Chartered Bank	20.90%		
Mercantile Bank PLC	20.88%		

<sup>1</sup> Target attainment in Sustainable Finance (SF): Disbursement in SF  $\geq 20\%$  of total loan disbursement.  
Target attainment in Green Finance (GF): Disbursement in GF  $\geq 5\%$  of total term loan disbursement.

**B. Green Finance (Period: April - June, 2024)**

<b>Name of the Banks</b>	<b>Target Attainment</b>	<b>Name of the Finance Companies</b>	<b>Target Attainment</b>
State Bank of India	99.49%	Bangladesh Infrastructure Finance Fund Ltd	90.43%
United Commercial Bank PLC	48.26%	Bangladesh Finance Limited	88.37%
Mutual Trust Bank PLC	46.05%	Infrastructure Development Company Limited (IDCOL)	67.17%
The Hong Kong and Shanghai Banking Corporation. Ltd.	40.95%	IPDC Finance Ltd	47.24%
Pubali Bank PLC	40.17%	IDLC Finance PLC	18.26%
Prime Bank PLC	38.83%	Meridian Finance and Investment Ltd	14.32%
Midland Bank Ltd	36.36%	United Finance Ltd	11.00%
Jamuna Bank PLC	35.61%	Agrani SME Financing Company Ltd	10.05%
Al-Arafah Islami Bank PLC	34.67%	Alliance Finance PLC	6.07%
Eastern Bank PLC	34.50%	The UAE-Bangladesh Investment Co. Ltd	5.01%
City Bank PLC	30.14%		
Dhaka Bank PLC	27.83%		
Shahjalal Islami Bank PLC	26.94%		
Islami Bank Bangladesh PLC	23.60%		
BRAC Bank PLC	18.78%		
Bank Asia PLC	17.36%		
The Premier Bank PLC	16.30%		
BASIC Bank Ltd	15.90%		
AB Bank PLC	15.30%		
Global Islami Bank PLC	14.23%		
NCC Bank PLC	13.61%		
Union Bank PLC	12.23%		
Social Islami Bank PLC	10.58%		
Uttara Bank PLC	9.96%		
Standard Bank PLC	8.16%		
Trust Bank Ltd	8.11%		
Rupali Bank PLC	7.75%		
Standard Chartered Bank	7.64%		
Bengal Commercial Bank PLC	6.20%		

### 3.7 Leading Banks & FIs achievement in Sustainable Finance & Green Finance<sup>2</sup>:

#### A. Sustainable Finance (Period: January - June, 2024)

Name of the Banks	Target Attainment	Name of the Finance Companies	Target Attainment
BRAC Bank PLC	95.15%	Alliance Finance PLC	90.06%
Eastern Bank PLC	88.81%	Infrastructure Development Co. Ltd	87.35%
Jamuna Bank PLC	87.77%	United Finance Ltd	74.70%
City Bank PLC	87.03%	IPDC Finance Ltd	72.57%
EXIM Bank PLC	85.20%	CVC Finance Ltd	71.66%
Prime Bank PLC	80.59%	Bangladesh Finance & Investment Limited	56.95%
Mutual Trust Bank PLC	72.34%	Bangladesh Infrastructure Finance Fund Ltd (BIFFL)	55.39%
The Premier Bank PLC	64.18%	National Finance Ltd	52.77%
United Commercial Bank PLC	63.94%	Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd (SABINCO)	44.55%
National Bank PLC	61.37%	IDLC Finance PLC	44.33%
NRB Bank Ltd	56.51%	Agrani SME Financing Company Ltd	38.97%
Bank Asia PLC	56.00%	The UAE-Bangladesh Investment Co. Ltd	25.01%
State Bank of India	55.18%	LankaBangla Finance PLC	20.11%
Bangladeh Krishi Bank	51.50%		
Trust Bank Ltd	48.90%		
Uttara Bank PLC	39.65%		
Al-Arafah Islami Bank PLC	36.74%		
BASIC Bank Ltd	29.86%		
Dutch-Bangla Bank PLC	28.41%		
Standard Bank PLC	27.61%		
NCC Bank PLC	24.66%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	24.10%		
Social Islami Bank PLC	23.83%		
Mercantile Bank PLC	22.63%		

<sup>2</sup> Target attainment in Sustainable Finance (SF): Disbursement in SF  $\geq$  20% of total loan disbursement.  
Target attainment in Green Finance (GF): Disbursement in GF  $\geq$  5% of total term loan disbursement.

**B. Green Finance (Period: January - June, 2024)**

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United Commercial Bank PLC	49.83%	Bangladesh Infrastructure Finance Fund Ltd (BIFFL)	55.39%
Mutual Trust Bank PLC	44.74%	Bangladesh Finance & Investment Limited	53.12%
Eastern Bank PLC	36.57%	IPDC Finance Ltd	38.59%
Prime Bank PLC	36.18%	IDLC Finance PLC	11.88%
Jamuna Bank PLC	33.43%	Agrani SME Financing Company Ltd	9.05%
Al-Arafah Islami Bank PLC	30.14%	United Finance Ltd	5.28%
City Bank PLC	29.76%	The UAE-Bangladesh Investment Co. Ltd	5.01%
Islami Bank Bangladesh PLC	23.00%		
BRAC Bank PLC	20.95%		
Midland Bank Ltd	19.85%		
Global Islami Bank PLC	19.45%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	19.42%		
The Premier Bank PLC	19.37%		
Shimanto Bank PLC	17.64%		
BASIC Bank Ltd	16.08%		
AB Bank PLC	15.56%		
Bank Asia PLC	14.61%		
Shahjalal Islami Bank PLC	13.87%		
Dhaka Bank PLC	11.79%		
Rupali Bank PLC	11.55%		
Uttara Bank PLC	10.29%		
Social Islami Bank PLC	9.05%		
Union Bank PLC	8.82%		
Trust Bank Ltd	8.36%		
Bank Alfalah	6.91%		
NCC Bank PLC	6.86%		
Southeast Bank PLC	6.85%		
Standard Chartered Bank Ltd	6.81%		
Bengal Commercial Bank PLC	6.31%		
Standard Bank PLC	5.15%		



## 4. Review on Sustainable Finance Activities of Banks and Financial Companies

### 4.1 Policy Formulation and Governance:

All scheduled banks and Finance Companies have formed their own Sustainable Finance Unit. Bangladesh Bank has introduced Sustainable Finance Policy in December, 2020. In order to promote more inclusive and equitable approach to economic and environmental development and to ensure gender equality, Intended Nationally Determined Contributions (INDCs), Mujib Climate Prosperity Plan 2022-2041, Bangladesh Delta Plan 2100, National Adaptation Plan etc. the policy has been updated in 2023 vide circular 03/2023. All the Banks and Finance Companies have to prepare their own Sustainable Finance Policy mandatorily.

### 4.2 Overview of Sustainable Finance:

57 Banks out of 61 and 14 Finance Companies out of 34 have had exposure in sustainable finance in the reporting quarter. The snapshot of Sustainable Finance by banks and Finance Companies during April - June, 2024 quarter is shown in Table-4.1, 4.2 and 4.3:

<b>Table-4.1: Sustainable Finance (Period: April - June, 2024)</b>					<i>(In million BDT)</i>	
Type of Bank/FI	Total Loan Disbursed	Total Term Loan Disbursed	<b>Green Finance</b>		<b>Sustainable Finance</b>	
			<i>Disbursed</i>	<i>Outstanding</i>	<i>Disbursed</i>	<i>Outstanding</i>
SOCBs	1,71,709.00	78,791.56	2,183.87	63,020.28	18,878.72	2,34,431.85
SCBs	65,970.49	10,459.86	5.85	188.11	29,969.28	3,12,110.91
PCBs	14,33,416.20	2,44,955.97	47,358.82	3,20,564.95	8,32,257.24	26,28,406.76
FCBs	3,24,708.96	19,641.72	4,986.13	15,308.63	58,507.52	1,04,762.90
ISBs	6,80,835.62	99,907.75	15,254.34	1,97,918.95	1,98,465.54	8,97,887.97
<b>Total</b>	<b>26,76,640.27</b>	<b>4,53,756.85</b>	<b>69,789.00</b>	<b>5,97,000.93</b>	<b>11,38,078.29</b>	<b>41,77,600.39</b>
FIs	1,40,221.52	32,835.27	9,926.39	92,793.66	29,920.96	1,90,928.45
<b>Grand Total</b>	<b>28,16,861.79</b>	<b>4,86,592.12</b>	<b>79,715.39</b>	<b>6,89,794.59</b>	<b>11,67,999.25</b>	<b>43,68,528.84</b>

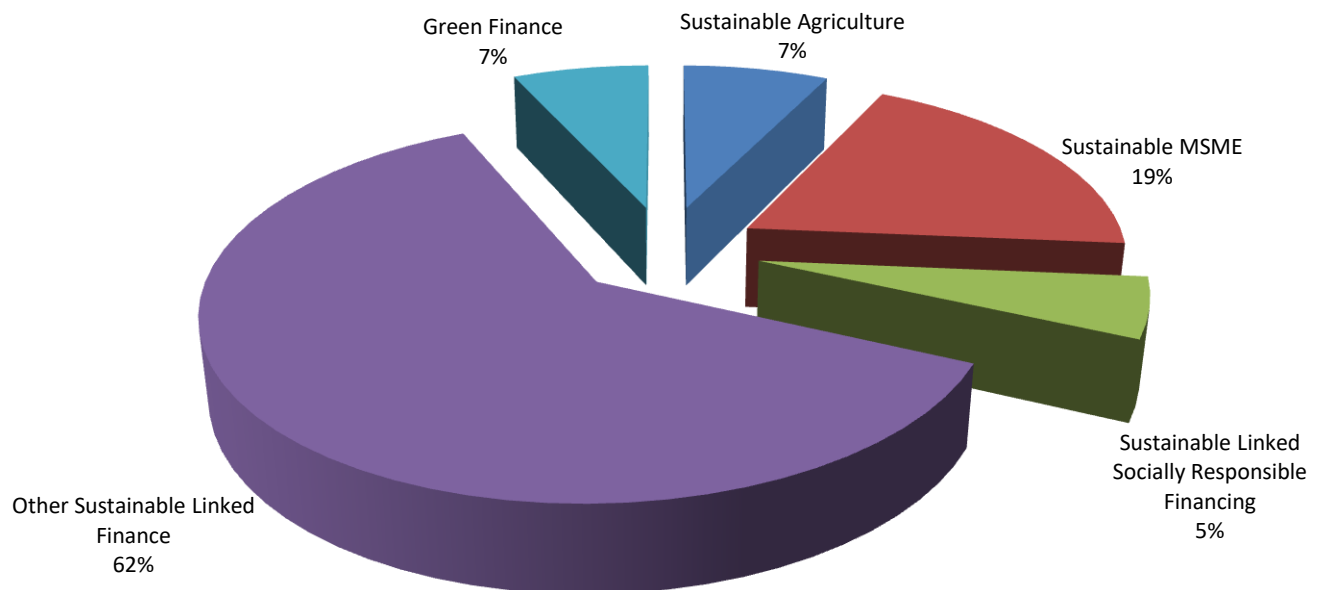
**Table-4.2: Recovery and Rescheduling of Sustainable Finance (Period: April - June, 2024)**  
(In million BDT)

Type of Bank/FI	Green Finance		Sustainable Finance	
	Recovery	Rescheduled	Recovery	Rescheduled
SOCBs	4434.15	0.00	9,444.10	528.40
SCBs	6.45	0.00	31,206.57	500.00
PCBs	23,333.37	1,511.95	3,78,150.98	9,886.85
FCBs	1,067.09	0.00	58,308.62	0.00
ISBs	7,533.83	354.25	1,07,125.67	2,971.46
<b>Total</b>	<b>36,374.88</b>	<b>1,866.20</b>	<b>5,84,235.94</b>	<b>13,886.71</b>
FIs	3,155.15	297.56	20,515.30	742.09
<b>Grand Total</b>	<b>39,530.03</b>	<b>2,163.76</b>	<b>6,04,751.24</b>	<b>14,628.80</b>

**Table-4.3: Sustainable Finance (Period: April - June, 2024) (In million BDT)**

Type of Bank/FI	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable MSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
SOCBs	7,980.02	4,253.28	4,384.37	77.19	2,183.87	18,878.72
SCBs	29,963.43	0.00	0.00	0.00	5.85	29,969.28
PCBs	30,692.90	1,64,369.70	35,709.39	5,54,126.43	47,358.82	8,32,257.24
FCBs	199.54	0.42	17,435.36	35,886.06	4,986.13	58,507.52
ISBs	15,225.96	47,913.39	4,239.17	1,15,832.69	15,254.34	1,98,465.54
<b>Total</b>	<b>84,061.85</b>	<b>2,16,536.78</b>	<b>61,768.29</b>	<b>7,05,922.37</b>	<b>69,789.00</b>	<b>11,38,078.29</b>
FIs	1,103.20	6,269.50	698.90	11,922.97	9,926.39	29,920.96
<b>Grand Total</b>	<b>85,165.05</b>	<b>2,22,806.28</b>	<b>62,467.19</b>	<b>7,17,845.34</b>	<b>79,715.39</b>	<b>11,67,999.25</b>

**Graphical Presentation of Sustainable Finance by Banks and FIs in different sectors**



### 4.3 Green Finance- Category wise:

41 Banks out of 61 and 10 Finance Companies out of 34 have had exposure in green finance in the reporting quarter. Total amount invested as green finance has been BDT 66,789.00 million BDT by banks and 9,926.39 million BDT by Finance Companies in April-June, 2024 period. A brief picture of sector wise green finance by Banks and Finance Companies is shown in Table-4.4, 4.5 & 4.6:

<b>Table-4.4: Green Finance (in million BDT)</b>							
Type of Bank/FI	Sectors of Green Finance						
	Renewable Energy	Energy & Resource Efficiency	Alternative Energy	Liquid Waste Management	Solid Waste Management	Circular Economy & Eco-Projects Financing	Environment Friendly Brick Production
SOCBs	254.38	10.49	0.00	146.46	10.00	63.84	160.90
SCBs	2.04	0.00	0.00	0.00	0.00	0.00	0.00
PCBs	550.05	15041.59	0.00	644.24	0.00	4126.94	654.02
FCBs	1115.64	1917.31	0.00	0.00	0.00	0.00	0.00
ISBs	120.44	5967.53	0.00	1182.30	0.00	1687.46	740.50
<b>Total</b>	<b>2042.55</b>	<b>22936.92</b>	<b>0.00</b>	<b>1973.00</b>	<b>10.00</b>	<b>5878.24</b>	<b>1555.42</b>
FIs	5207.57	2985.25	64.50	235.00	0.00	237.93	0.00
<b>Grand Total</b>	<b>7250.12</b>	<b>25922.17</b>	<b>64.50</b>	<b>2208.00</b>	<b>10.00</b>	<b>6116.17</b>	<b>1555.42</b>

<b>Table-4.4: Green Finance (in million BDT) - Table Continued</b>							
Type of Bank/FI	Sectors of Green Finance						
	Green/Environment Friendly Establishments	Green Agriculture	Green CMSME	Green Socially Responsible Financing	Blue Economy Financing	Information and Communication Technology	Miscellaneous
SOCBs	0.00	44.56	459.14	1034.10	0.00	0.00	0.00
SCBs	0.00	3.81	0.00	0.00	0.00	0.00	0.00
PCBs	5135.03	1814.65	2929.96	11292.59	1567.93	1644.63	1957.19
FCBs	1000.00	1.20	330.80	621.18	0.00	0.00	0.00
ISBs	3706.37	53.96	216.91	11.38	4.00	507.78	1055.70
<b>Total</b>	<b>9841.40</b>	<b>1918.18</b>	<b>3936.81</b>	<b>12959.25</b>	<b>1571.93</b>	<b>2152.41</b>	<b>3012.89</b>
FIs	200.00	86.95	13.48	871.70	15.50	118.50	0.00
<b>Grand Total</b>	<b>10041.40</b>	<b>2005.13</b>	<b>3950.29</b>	<b>13830.95</b>	<b>1587.43</b>	<b>2270.91</b>	<b>3012.89</b>

**Table-4.5: Target achievement by Types of Banks and FIs**

Type of Bank/FI	Green Finance as % of Total Term Loan Disbursement	Sustainable Finance as % of Total Loan Disbursement
SOCBs	2.77%	10.99%
SCBs	0.06%	45.43%
PCBs	19.33%	58.06%
FCBs	25.39%	18.02%
ISBs	15.27%	29.15%
<b>Total</b>	<b>15.38%</b>	<b>42.52%</b>
FIs	30.23%	21.34%
<b>Grand Total</b>	<b>16.38%</b>	<b>41.46%</b>

**Table-4.6: Sector wise Outstanding of Green Finance as of 30 June, 2024**

SI No.	Sector Name	Outstanding (In Million Taka)
1	Renewable Energy	45,916.00
2	Energy & Resource Efficiency	1,80,815.38
3	Alternative Energy	3,560.19
4	Liquid Waste Management	77,542.03
5	Solid Waste Management	447.25
6	Circular Economy & Eco-Projects Financing	66,744.56
7	Environment Friendly Brick Production	28,000.27
8	Green/Environment Friendly Establishments	1,52,211.85
9	Green Agriculture	5,930.04
10	Green CMSME	18,229.41
11	Green Socially Responsible Financing	85,361.32
12	Blue Economy Financing	4,120.86
13	Information and Communication Technology	9,495.75
14	Miscellaneous	11,419.68
<b>Green Finance</b>		<b>6,89,794.59</b>

**Table-4.7: Sector wise Outstanding of Sustainable Finance as of 30 June, 2024**

SI No.	Sector Name	Outstanding (In Million Taka)
1	Sustainable Agriculture	6,06,248.44
2	Sustainable MSME	8,02,166.06
3	Sustainable Linked Socially Responsible Financing	1,66,082.44
4	Other Sustainable Linked Finance	21,04,237.31
5	Green Finance	6,89,794.59
<b>Sustainable Finance</b>		<b>43,68,528.84</b>

#### 4.4 Compliance Overview of ESRM Framework:

47 banks out of 61 and 14 Finance Companies out of 34 have conducted Environmental and Social Risk Rating in the reporting quarter.

**Table-4.8: Environmental & Social Risk Rating**

Type of Bank/FI	No. of Projects Rated	No. of Rated Projects Financed	Amount of Rated Projects Financed (in million BDT)
SOCBs	10,201	9,757	4,947.13
SCBs	0	0	0.00
PCBs	99,337	98,823	7,77,214.37
FCBs	1,044	1,261	1,94,775.47
ISBs	40,316	9,323	2,51,113.59
<b>Total</b>	<b>1,50,898</b>	<b>1,19,164</b>	<b>12,28,050.57</b>
FIs	1,662	1,551	31,228.80
<b>Grand Total</b>	<b>1,52,560</b>	<b>1,20,715</b>	<b>12,59,279.37</b>

#### 4.5 In-house Green Banking Activities:

**Table-4.9 In-house Green Banking Activities of Banks and FIs**

Type of Bank/FI	Number of Branches	Number of Online Branches	Number of Solar-Powered Branches	No. of Branches with Rainwater Harvesting	No. of Branches with Solid Waste Management	Number of BB accredited Green Branches
SOCBs	3,845	3,845	49	0	0	0
SCBs	1,543	1,421	0	0	0	0
PCBs	4,235	4,121	344	4	1,565	0
FCBs	63	66	9	1	6	0
ISBs	1,677	1,644	166	1	1	0
<b>Total</b>	<b>11,363</b>	<b>11,097</b>	<b>568</b>	<b>6</b>	<b>1,572</b>	<b>0</b>
FIs	285	81	5	2	71	0
<b>Grand Total</b>	<b>11,648</b>	<b>11,178</b>	<b>573</b>	<b>8</b>	<b>1,643</b>	<b>0</b>

**Table-4.9 In-house Green Banking Activities of Banks and FIs – Table Continued**

Type of Bank/FI	Number of ATM Booths	Number of Solar-Powered ATM Booths	Number of Agent Outlets	No. of Solar-Powered Agent Outlets	No. of Accounts using Internet Banking	No. of Accounts using Smart-Phone App-based Banking	Total number of MFS Accounts
SOCBs	474	4	792	0	98,38,022	4,12,588	0
SCBs	0	0	0	0	4,90,726	4,88,736	0
PCBs	6,731	153	19,861	36	29,16,377	2,15,95,153	12,92,31,063
FCBs	100	5	0	0	3,22,529	3,32,530	0
ISBs	4,437	0	4,172	1	17,95,313	47,92,621	18,34,700
<b>Total</b>	<b>11,742</b>	<b>162</b>	<b>24,825</b>	<b>37</b>	<b>15,362,967</b>	<b>2,76,21,628</b>	<b>13,10,65,763</b>
FIs	0	0	0	0	58,267	65,931	0
<b>Grand Total</b>	<b>11,742</b>	<b>162</b>	<b>24,825</b>	<b>37</b>	<b>1,54,21,234</b>	<b>2,76,87,559</b>	<b>13,10,65,763</b>

#### 4.6 Green Investment:

There is no investment in Green Bond, Green SUKUK or Impact Fund by Banks & Finance Companies in the review period.

#### 4.7 Training, Awareness and Capacity Building:

43 Banks and 11 Finance Companies have arranged training & awareness programs concerning Sustainable Financing activities. A snapshot on training (Period: April - June, 2024) is given below:

<b>Table-4.10: Training (Period: April - June, 2024)</b>			
<b>Type of Bank/FI</b>	<b>No. of Programs Organized</b>	<b>No. of Employees Trained</b>	<b>No. of Customers Trained</b>
SOCBs	86	4,390	317
SCBs	1	150	250
PCBs	305	12,847	3,239
FCBs	32	344	150
ISBs	73	2,062	167
<b>Total</b>	<b>497</b>	<b>19,793</b>	<b>4,123</b>
FIs	85	307	270
<b>Grand Total</b>	<b>582</b>	<b>20,100</b>	<b>4,393</b>

### 5. Review on Refinancing Schemes of BB for Green Finance:

<b>Table-5.1: At a glance Funding Schemes of BB for Green Finance (Period: April-June, 2024)</b>		
<b>Funding scheme of BB</b>	<b>Amount</b>	<b>Number of Project</b>
Disbursement from Refinance Scheme for Environment Friendly Products/Initiatives (in million BDT)	<b>1452.23</b>	<b>12</b>
Disbursement from Refinance Scheme for Islamic Banks & Financial Institutions for Investment in Green Products/Initiatives (In million BDT)	-	-
Disbursement from Green Transformation Fund (GTF) (In million USD)	-	-
Disbursement from Green Transformation Fund (GTF) (In million Euro)	-	-
Disbursement from Green Transformation Fund (GTF) (In million BDT)	<b>1349.60</b>	<b>06</b>
Disbursement from Technology Development/Up-gradation Fund (TDF) (In million BDT)	<b>1473.33</b>	<b>04</b>

#### 5.1 Refinance Scheme for Environment Friendly Products/Initiatives:

To broaden the financing avenue for green products like solar energy, bio-gas plant and effluent treatment plant etc., BB established a revolving refinance scheme amounting to BDT 2 billion (200 crore) from its own fund for solar energy, Bio-gas and Effluent Treatment Plant (ETP) in 2009. The size of the fund has been increased from BDT 2 billion to BDT 10 billion in view of the growing demand for financing of environment friendly products/initiatives<sup>3</sup>. The product line has been enhanced to 70 under 14 categories. Since inception, total amount of Tk. 10,219.02 million has been

<sup>3</sup> SFD Circular 02/2020



disbursed as refinance facility from the fund till 30 June, 2024. The disbursement scenario of this scheme during April-June, 2024 quarter is furnished below:

<b>Table-5.2: Sub-category/ Product wise Disbursement</b>		
<b>SL. No</b>	<b>Sub-category/ Product</b>	<b>BDT in million</b>
<b>1</b>	Environment Friendly/Brick Kiln Efficiency improvement Project	742.52
<b>2</b>	Installation of Energy Auditor Certified machineries including boiler in industries	634.15
<b>3</b>	Net Metering Rooftop Solar System	47.96
<b>4</b>	Safety and work environment of factory related projects	9.40
<b>5</b>	Solar Mini Grid	18.20
	<b>Total Disbursement</b>	<b>1452.23</b>

## **5.2 Refinance Scheme for Islamic Banks & Financial Institutions for Investment in Green Products/Initiatives:**

Bangladesh Bank has introduced refinance scheme funded by excess liquidity of shariah based 3 financial institutions to facilitate the shariah based Banks and Finance Companies in 2014<sup>4</sup>. In 2018 Bangladesh Bank has issued an integrated and comprehensive “master circular”<sup>5</sup> by revising and incorporating all the existing circular and circular letters related to this refinance scheme. BB has enhanced the product range under this scheme to 51 and segregated these products into 08 categories.

## **5.3 Green Transformation Fund (GTF):**

In January 2016, a longer-term refinancing window named Green Transformation Fund (GTF) of 200 million USD was launched to ensure sustainable growth in export oriented textile and leather sectors conducive to transformation of green economy in the country<sup>6</sup>. To widen the scope of this fund, it has been opened for all manufacturer-exporters irrespective of sectors against import of capital machinery and accessories for implementing specified green/environment–friendly initiatives since September, 2019<sup>7</sup>. Recently, 200 million Euros has been added to the fund<sup>8</sup>. This Euro component of GTF can be used to import not only green machineries but also industrial raw materials (only Buyer’s Credit) used in all manufacturing enterprises including both export oriented and deem exporters. Under the GTF in USD and Euro Component, consecutively 30 banks and 26 banks have signed participation agreement with BB. The disbursement from this Fund is 140.94 million USD & 71.21 million euro till 30 September, 2023. In December, 2022 another 50 Billion refinance fund (in local currency) has been introduced to serve the same purpose<sup>9</sup>. The disbursement

<sup>4</sup> GBCSRD circular no. 06 /2014

<sup>5</sup> SFD Circular No.02/2018

<sup>6</sup> FE Circular No. 02/2016

<sup>7</sup> FE Circular Letter No. 14/2019

<sup>8</sup> FE Circular No. 20/2020

<sup>9</sup> SFD Circular No 02/2021

from this Fund is Tk. 9,341.51 million to 36 clients of 14 banks till 30 June, 2024. In April-June, 2024 quarter BDT 1,349.60 million has been disbursed to 6 clients of 5 banks from this local currency GTF fund.

#### **5.4 Technology Development/Up-gradation Fund**

Refinance Fund for Technology Development/Up-gradation of BDT 10 (Ten) billion offers refinance facility for the modernization and technological development/up-gradation of export oriented industries in Bangladesh<sup>10</sup>. So far 35 industrial sectors mentioned in Export Policy 2021-2024 under 11 initiatives/categories are included in the fund. The fund has been circulated for banks and Finance Companies through the SFD Circular No-02 dated 17 January 2021 and SFD Circular letter No-01 dated 08 June 2023. 29 Banks & 9 Finance Companies are covenanted with Sustainable Finance Department for this fund. The disbursement from this Fund is Tk. 6,139.17 million till 30 June, 2024. In April-June, 2024 quarter disbursement from this fund is Tk. 1,473.33 million in 4 projects.

#### **6. Concluding Remarks:**

Shaping a secure and sustainable finance future for all is essential for national level coordination, as well as international cooperation and international coordination. Recognizing this reality, BB has gone to a paradigm shift by introducing Sustainable Finance Policy for Banks & Finance Companies. During the quarter under consideration, after introducing the policy, followings are the outcome:

- During April - June, 2024 quarter 29 banks and 10 Finance Companies have surpassed the target of green finance (5%) compared to the total term loan disbursement. Where in previous quarter (January-March, 2024) the number was 27 banks and 5 Finance Companies.
- Moreover, during the review quarter 28 banks and 13 Finance Companies have been able to fulfill their target (20%) of sustainable finance compared to the total loan disbursement. Where in previous quarter (January-March, 2024) the number was 26 banks and 10 Finance Companies.

BB is pursuing to boost up the whole scenario by taking appropriate policy initiatives. Refinance support from BB is also playing an important role to incentivize the green banking activities. As the outcome of these initiatives, it is expected that positive impact will be evidenced in the trend of sustainable finance by banks and FIs in gradual manner. Sustainable Finance Department, BB also anticipates robust, effective and coherent efforts from banks and FIs in the field of sustainable finance.

***Preserve nature & reduce pollution***



***for the sustainability of human race.....***