Sustainable Finance Department
Bangladesh Bank
Head Office

Quarterly Review Report on Sustainable Finance
of
Banks & Finance Companies

April-June, 2025

Executive Summary

The concern for environmental sustainability and inclusive growth has gained widespread recognition, elevating the importance of corporate social responsibility (CSR) and inclusive finance. In an emerging economy like Bangladesh, environmental management should be a key focus area for the business community, particularly the banking industry, which serves as a major intermediary. Addressing the environmental and social risks associated with financing activities is essential for overall credit rating and credit approval. Following disbursement, stricter monitoring is necessary. Additionally, the Bangladesh Bank has incorporated socially responsible initiatives alongside the core activities of banks and financial institutions, driving towards sustainable finance strategies.

Green and sustainable interventions and frameworks are essential for making future development more sustainable. Developing sustainable frameworks aligns with the broader sustainable development agenda of a country like Bangladesh. Banks and finance companies play a unique role in the economic system as they can influence production, business, and other economic activities through their financing, and thus also have an impact on environmental risk management and sustainable growth. These institutions have the potential to significantly accelerate the movement towards a cleaner world. For instance, they can implement 'go-green' policies within their own operations and encourage client firms to adopt clean technologies. In the long run, this strategy is anticipated to benefit firms by reducing costs and facilitating access to new markets. To further their interests, all financial institutions should monitor 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 & FCs. This report provides information on all policy initiatives and operational approaches related to sustainable finance undertaken by BB, as well as the sustainable finance activities of Banks & Finance Companies from April 1 to June 30, 2025. It also includes green finance/investment by 61 scheduled banks and 34 finance companies under the refinance scheme.

Disbursement in Green Finance by Banks (Period: April-June 2025)

7,070.45 crore BDT

Disbursement in Green Finance by Finance Companies (Period: April-June, 2025)

778.59 crore BDT

Disbursement in Sustainable Finance by Banks (Period: April-June, 2025)

1,38,395.31 crore BDT

Disbursement in Sustainable Finance by Finance Companies (Period: April-June, 2025)

2,730.54 crore BDT

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1. Introduction

Sustainability has become a key consideration in the financial sector. Due to its geographic location, Bangladesh is highly vulnerable to climate change. Recognizing that the financial sector can play a crucial role in accelerating the adoption of environmentally friendly practices in the real economy, Bangladesh Bank (BB) has become a pioneer in green banking initiatives. Since 2011, BB has been proactively guiding banks and Finance Companies in this regard. In this context, BB's Sustainable Finance initiatives can be broadly categorized into several aspects: policy initiatives, monitoring of Sustainable Finance activities by banks and finance companies, refinance support from BB for various green products and sectors, and BB's own environmental management initiatives. The introduction of the Sustainable Finance Policy has provided banks and finance companies with an opportunity to contribute to inclusive sustainable green growth. This includes green finance, sustainable agriculture, sustainable CMSME (small and medium-sized enterprises), socially responsible financing, and other activities linked to sustainability. Sustainable Finance refers to business conducted in such areas and in such a manner that contributes to the reduction of both external carbon emissions and the internal carbon footprint.

The banking sector plays a key role in financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, and textiles, which contribute significantly to carbon emissions. Therefore, the banking sector can act as an intermediary between economic and social development and environmental protection, by promoting environmentally sustainable and socially responsible investment.

The Quarterly Review Report on Sustainable Finance has been introduced to cover not only green banking activities but also all components under the Sustainable Finance Taxonomy. This report reflects an assessment of the efforts made by banks and finance companies in addressing People, Planet, and Profit.

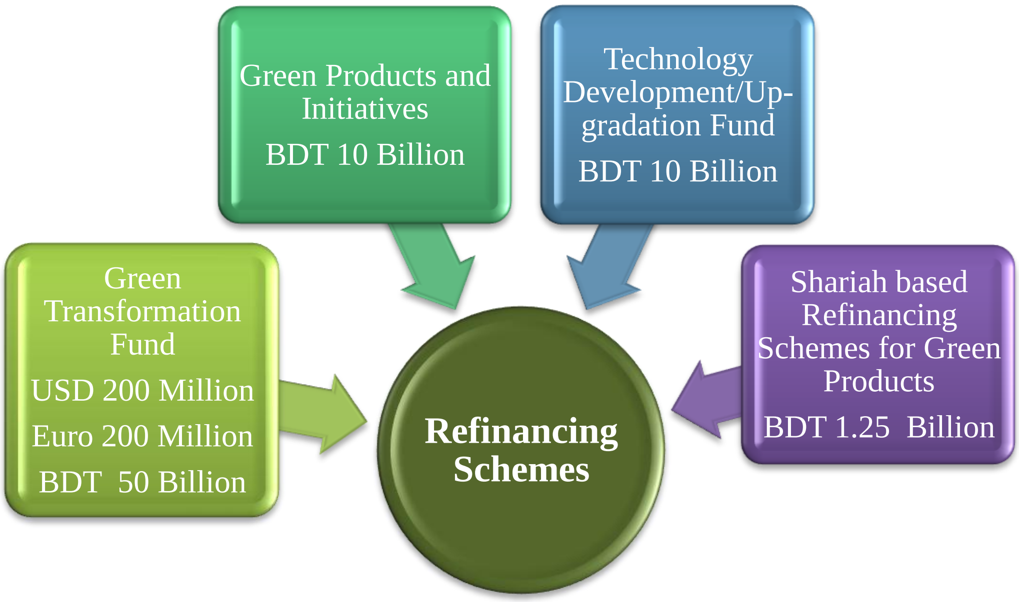
2. Policy Chronology and Refinancing Initiatives of BB

2.1 Policy Chronology:

Circular/Circular Letter No.	Date	Particulars
BRPD Circular No.01	30.01.2011	Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions has been issued.
BRPD Circular No. 02	27.02.2011	Green Banking Policy Guidelines for Banks has been issued.
GBCSRD Circular No. 04 & Letter No. 05	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	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	15.04.2020	Introduction of Euro in Green Transformation Fund.
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).

Circular/Circular Letter No.	Date	Particulars
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. 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
SFD Circular No. 02	06.11.2024	Green Finance and Sustainable Finance Target and Achievement
SFD Circular Letter No. 01	02.02.2025	Guidelines on Environmental and Social Risk Management (ESRM) for Banks and Finance Companies in Bangladesh
SFD Circular Letter No. 02	17.03.2025	Target Fixation of Green CMSME and Women Entrepreneur Sector Finance

2.2 Refinancing Initiatives of BB:



3. At a Glance Sustainable Finance (Period: April-June, 2025)

3.1 Sustainable Finance:

3.1.A. Highlights: (Amount in crore BDT)

Issue	Banks	Finance Companies	Total
Green Finance (Disbursement)	7,070.45	778.59	7,849.04
Sustainable Linked Finance (Disbursement)	1,31,324.86	1,951.95	1,33,276.81
Sustainable Finance (Disbursement)	1,38,395.31	2,730.54	1,41,125.85

3.1.B. Sector-wise Sustainable Finance:

Disbursement in Sustainable Finance by Banks & Finance Companies (Amount in crore BDT)

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	9,530.70	22,556.39	4,750.36	94,487.42	7,070.45	1,38,395.31
Finance Companies	104.44	626.29	222.12	999.09	778.59	2730.54
Total	9,635.14	23,182.68	4,972.48	95,486.51	7,849.04	1,41,125.85

3.2 Number of Borrowers in Sustainable Finance:

3.2.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	5,14,990	74,877	3,74,357	67,073	22,12,393	32,43,690
Finance Companies	380	980	4,090	210	434	6,094
Total	**5,15,370**	**75,857**	**3,78,447**	**67,283**	**22,12,827**	**32,49,784**

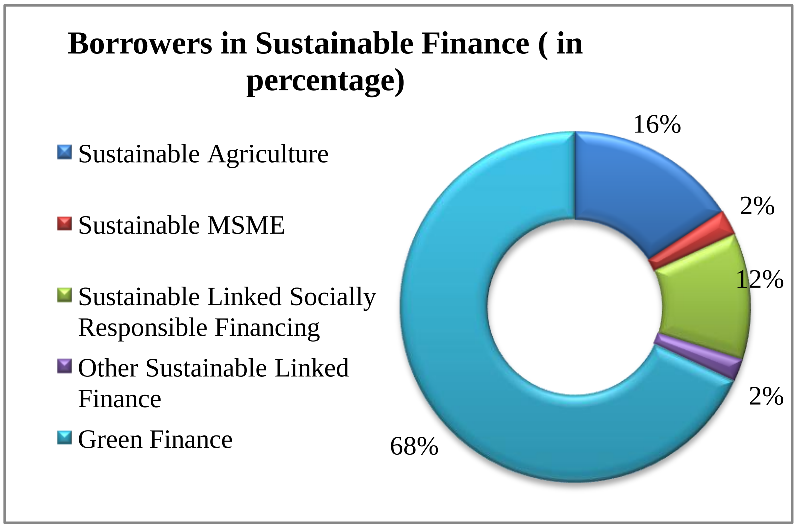
3.2.B. Gender-wise:

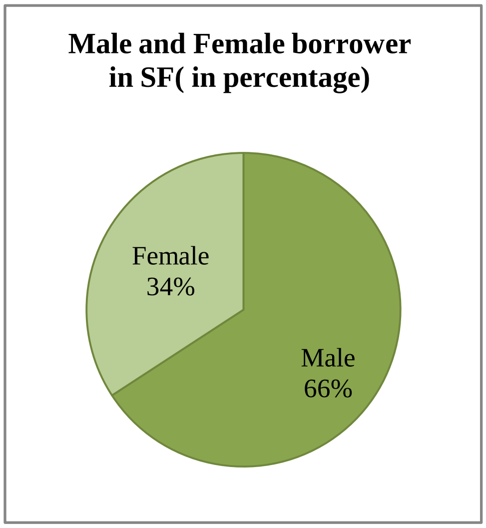
Number of Borrowers in Sustainable Finance	Male	Female	Total
Banks	21,36,822	11,06,868	32,43,690
Finance Companies	1,843	4,251	6,094
Total	**21,38,665**	**11,11,119**	**32,49,784**

3.2.C. Rural-Urban wise:

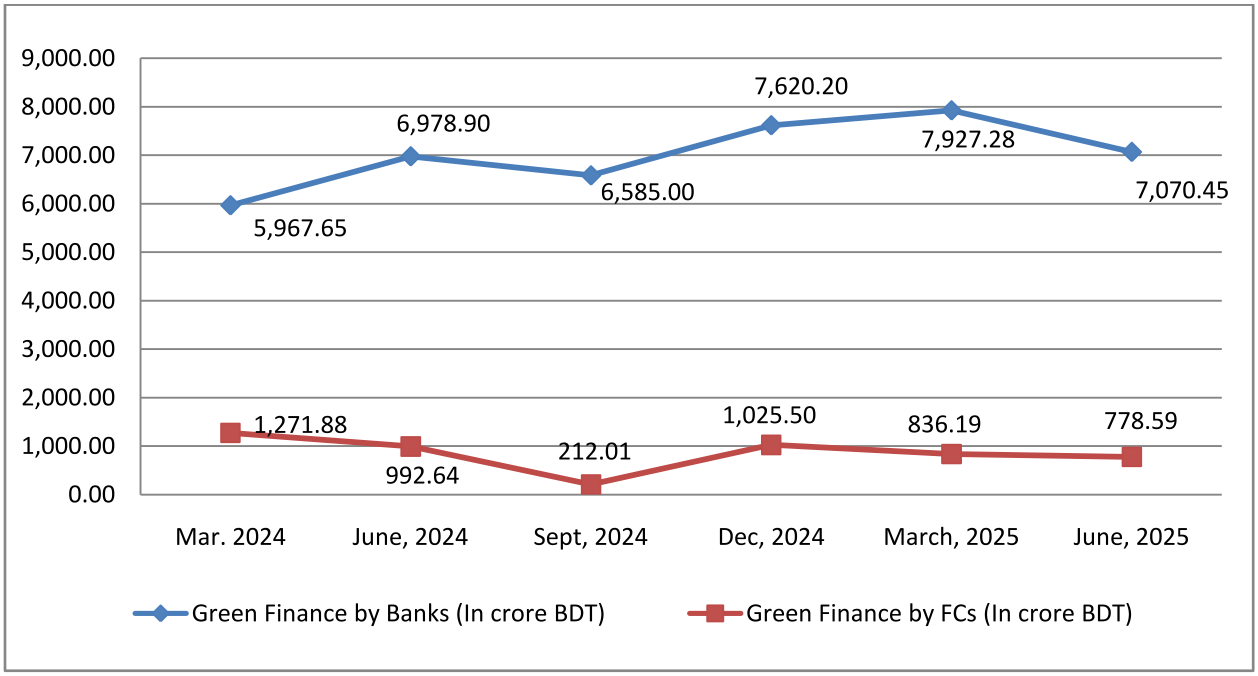
Number of Borrowers in Sustainable Finance	Rural	Urban	Total
Banks	15,83,798	16,59,892	32,43,690
Finance Companies	4,734	1,360	6,094
Total	**15,88,532**	**16,61,252**	**32,49,784**

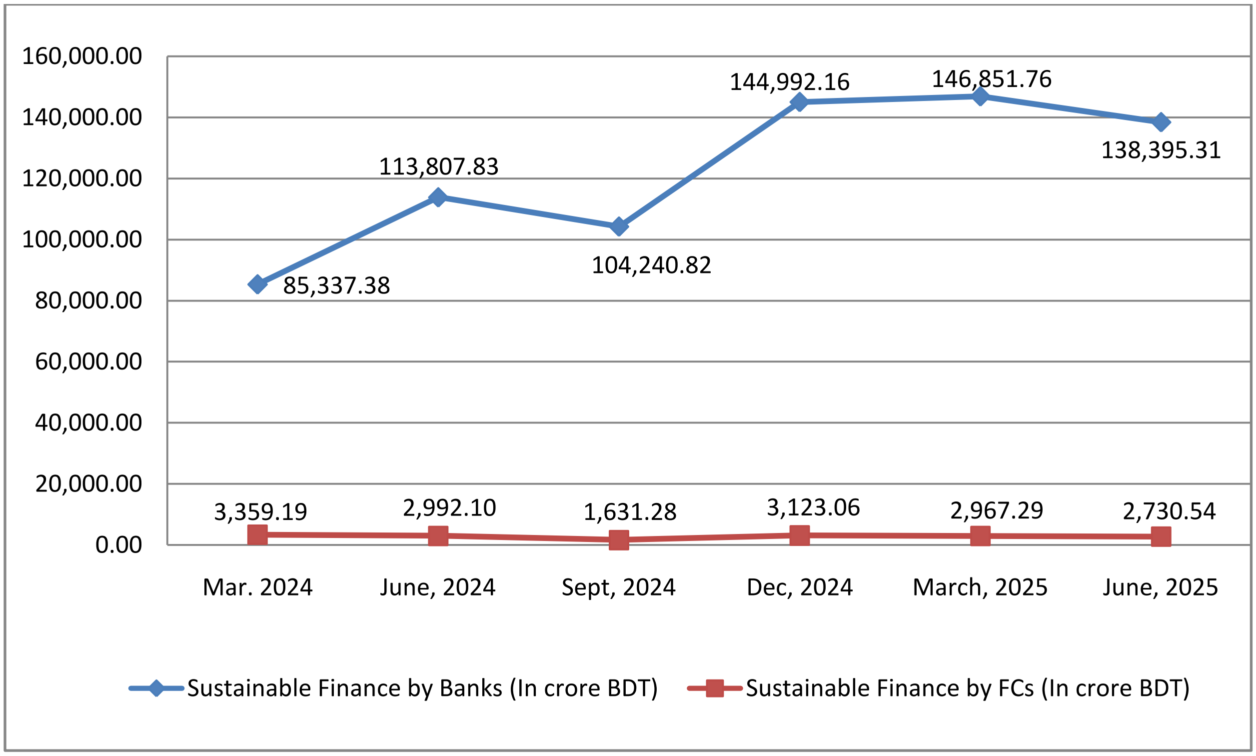
3.2.D. Graphical Representation of the number of Borrowers in Sustainable Finance





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





In April-June, 2025 period Banks and Finance Companies total disbursement in Green Finance is BDT 7,849.04 crore, showing a decrease of BDT 914.43 crore compared to previous quarter. In April-June, 2025 period Banks and Finance Companies total disbursement in Sustainable Finance is BDT 1,41,125.85 crore, reflecting a decline of BDT 8,693.20 crore from the previous quarter.

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

(Amount in crore BDT)

Issue	2021	2022	2023	2024
Green Finance (Disbursement)	7,232.85	12,226.46	19,304.31	30,653.78
Green Finance as % of Total Term Loan Disbursement	3.06%	4.97%	7.25%	13.29%
Sustainable Linked Finance (Disbursement)	75,318.82	118,535.77	178,064.83	428,830.04
Sustainable Finance (Disbursement)	82,551.67	130,762.23	197,369.14	459,483.82
Sustainable Finance as % of Total Loan Disbursement	8.04%	11.59%	17.23%	39.66%

3.2.G. Target & Achievement of Green Finance & Sustainable Finance:

In 2025, the targets of Green Finance and Sustainable Finance for Banks and Finance Companies are BDT 67,820.83 crore and BDT 5,42,563.68 crore respectively. These targets have been calculated based on their net loans and advances outstanding as of 31 December 2024. From 2025 onwards, Banks and Finance Companies should set their Green Finance target at 5% and Sustainable Finance target at 40% of their net loans and advances outstanding.

Issue	Amount in crore BDT
Target of Green Finance in 2025	67,820.83
Disbursement of Green Finance in 2025(January-June)	16,612.51
Achievement of Green Finance based on yearly target in 2025(January-June)	24.49%
Target of Sustainable Finance in 2025	5,42,563.68
Disbursement of Sustainable Finance in 2025(January-June)	2,90,944.90
Achievement of Sustainable Finance based on yearly target in 2025(January-June)	53.62%

3.3 Utilization of Climate Risk Fund:

Total utilization of Climate Risk Fund in the review quarter is BDT 1.02 crore.

Climate Risk Fund	Number			Amount (in crore BDT)		
Issue	**Banks**	**FCs**	**Total**	**Banks**	**FCs**	**Total**
Events	5	0	5	0.34	0.00	0.34
Projects	7	2	9	0.38	0.10	0.48
Concessional Loan	0	2	2	0	0.20	0.20

3.4 Environmental & Social Risk Management:

ESRM related information			
Issue	Number of Projects Rated	Number of Rated Projects Financed	Amount of Rated Projects Financed (in crore BDT)
Banks	1,95,534	1,76,042	1,65,508.58
FCs	1,945	1,531	2,899.31
Total	1,97,479	1,77,573	1,68,407.89

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

4.1 Policy Formulation and Governance:

All scheduled banks and Finance Companies have established 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 as well as to ensure gender equality, Intended Nationally Determined Contributions (INDCs), Bangladesh Delta Plan 2100, National Adaptation Plan etc. the policy has been updated in 2023 vide circular 03/2023. As per the above-stated policy all the Banks and Finance Companies have to prepare their own Sustainable Finance Policy.

4.2 Overview of Sustainable Finance:

55 Banks out of 61 and 12 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, 2025 quarter is shown in Table-4.1, 4.2 and 4.3:

Table-4.1: Sustainable Finance (Period: April-June, 2025) (In crore BDT)

Type of Bank/FC	Total Loan Disbursed	Total Term Loan Disbursed	*Green Finance*		*Sustainable Finance*	
			Disbursed	*Outstanding*	*Disbursed*	*Outstanding*
SOCBs	15,528.43	5,709.05	139.45	6,501.84	1,544.30	27,827.19
SCBs	6,248.09	710.22	2.81	27.15	3,200.07	29,072.63
PCBs	1,79,611.36	29,825.66	6,048.45	46,156.15	1,10,153.75	4,12,059.95
FCBs	15,936.56	692.31	6.57	733.25	5,082.37	10,001.41
ISBs	58,264.98	5,322.18	873.17	17,216.02	18,414.82	1,04,948.58
Total	**2,75,589.42**	**42,259.42**	**7,070.45**	**70,634.42**	**1,38,395.31**	**5,83,909.76**
FCs	13,277.52	3,019.24	778.59	11,322.68	2,730.54	21,828.40
Grand Total	**2,88,866.94**	**45,278.66**	**7,849.04**	**81,957.10**	**1,41,125.85**	**6,05,738.16**

Table-4.2: Recovery and Rescheduling of Sustainable Finance (Period: April-June, 2025)

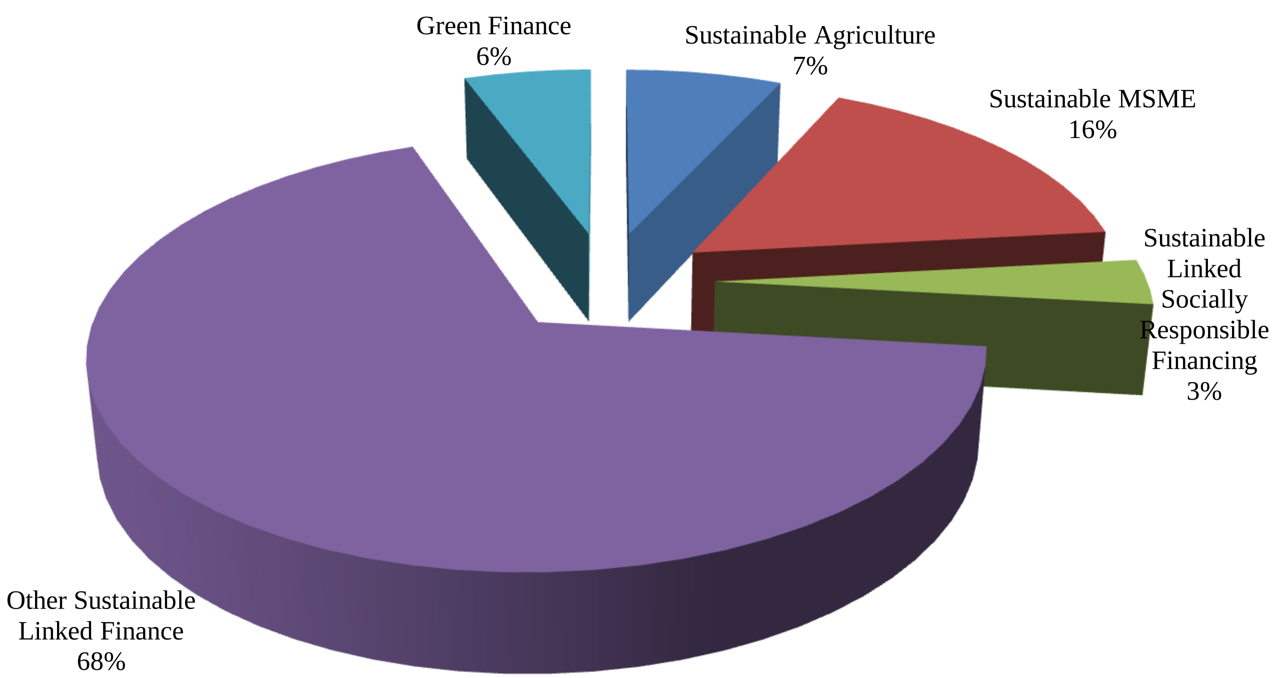
(In crore BDT)

Type of Bank/FC	Green Finance		Sustainable Finance	
	Recovery	Rescheduled	Recovery	Rescheduled
SOCBs	165.23	0.00	863.33	49.93
SCBs	0.46	0.00	3,045.21	0.00
PCBs	4,595.19	761.27	69,645.55	1,416.65
FCBs	82.78	0.00	4,474.22	76.69
ISBs	1,066.98	0.00	10,396.84	855.59
Total	**5,910.64**	**761.27**	**88,425.15**	**2,398.86**
FCs	466.24	1.09	2,119.44	54.30
Grand Total	**6,376.88**	**762.37**	**90,544.59**	**2,453.16**

Table-4.3: Disbursement in Sustainable Finance (Period: April-June, 2025) (In crore BDT)

Type of Bank/FC	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable MSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
SOCBs	935.53	444.28	25.01	0.04	139.45	1,544.30
SCBs	3,197.26	0.00	0.00	0.00	2.81	3,200.07
PCBs	3,958.99	19,095.65	3,482.89	77,567.77	6,048.45	1,10,153.75
FCBs	0.00	102.33	730.97	4,242.50	6.57	5,082.37
ISBs	1,438.93	2,914.12	511.49	12,677.11	873.17	18,414.82
Total	9,530.70	22,556.39	4,750.36	94,487.42	7,070.45	1,38,395.31
FCs	104.44	626.29	222.13	999.09	778.59	2,730.54
Grand Total	9,635.14	23,182.68	4,972.48	95,486.51	7,849.04	1,41,125.85

Graphical Presentation of Sustainable Finance by Banks and FCs in different sectors



4.3 Green Finance- Category wise:

43 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 7,070.45 crore BDT by banks and 778.59 crore BDT by Finance Companies in April-June, 2025 period. A brief picture of sector wise green finance by Banks and Finance Companies is shown in Table-4.4, 4.5 & 4.6:

Table-4.4: Disbursement in Green Finance (in crore BDT)

Type of Bank/FC	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	37.62	0.32	0.00	1.90	0.00	7.03	0.73
SCBs	1.52	0.00	0.00	0.00	0.00	0.00	0.00
PCBs	31.48	1,792.98	8.60	44.18	0.70	108.66	4.65
FCBs	0.00	6.57	0.00	0.00	0.00	0.00	0.00
ISBs	2.48	248.17	0.00	310.82	0.00	41.99	6.48
Total	73.10	2048.03	8.60	356.90	0.70	157.68	11.87
FCs	239.04	291.05	2.72	0.00	0.00	13.36	1.50
Grand Total	**312.14**	**2,339.08**	**11.32**	**356.90**	**0.70**	**171.04**	**13.37**

Table-4.4: Disbursement in Green Finance (in crore BDT) - *Table Continued*

Type of Bank/FC	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	2.51	13.45	75.89	0.00	0.00	0.00
SCBs	0.00	1.29	0.00	0.00	0.00	0.00	0.00
PCBs	453.12	170.79	194.70	2784.74	82.80	305.23	65.83
FCBs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ISBs	241.73	0.04	4.78	9.72	0.00	6.95	0.00
Total	694.85	174.63	212.93	2870.35	82.80	312.18	65.83
FCs	88.29	6.05	8.13	108.13	12.00	8.07	0.25
Grand Total	**783.14**	**180.68**	**221.07**	**2978.48**	**94.80**	**320.24**	**66.08**

Table-4.5: Sector wise Outstanding of Green Finance as of 30 June, 2025		
SI No.	Sector Name	Outstanding (In crore BDT)
1	Renewable Energy	5,577.24
2	Energy & Resource Efficiency	25,744.46
3	Alternative Energy	354.94
4	Liquid Waste Management	7,189.91
5	Solid Waste Management	52.55
6	Circular Economy & Eco-Projects Financing	5,247.68
7	Environment Friendly Brick Production	2,513.44
8	Green/Environment Friendly Establishments	17,370.70
9	Green Agriculture	678.44
10	Green CMSME	2,283.51
11	Green Socially Responsible Financing	11,374.33
12	Blue Economy Financing	847.65
13	Information and Communication Technology	1,644.42
14	Miscellaneous	1,077.83
	Green Finance	**81,957.10**

Table-4.6: Sector wise Outstanding of Sustainable Finance as of 30 June, 2025		
SI No.	**Sector Name**	**Outstanding (In crore BDT)**
1	Sustainable Agriculture	62,273.61
2	Sustainable MSME	92,150.63
3	Sustainable Socially Responsible Financing	15,183.40
4	Other Sustainable Linked Finance	354,173.42
5	Green Finance	81,957.10
	Sustainable Finance	**6,05,738.16**

4.4 Compliance Overview of ESRM Framework:

47 banks out of 61 and 12 Finance Companies out of 34 have conducted Environmental and Social Risk Rating in the reporting quarter.

Table-4.7: Environmental & Social Risk Rating			
Type of Bank/FC	No. of Projects Rated	No. of Rated Projects Financed	Amount of Rated Projects Financed (in crore BDT)
SOCBs	25617	22290	555.66
SCBs	0	0	0.00
PCBs	111943	114256	1,27,392.65
FCBs	853	907	12,734.91
ISBs	57121	38589	24,825.36
Total	195534	176042	1,65,508.58
FCs	1945	1531	2,899.31
Grand Total	**197479**	**177573**	**1,68,407.89**

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

Table-5.1: At a glance Refinance Schemes of BB for Green Finance (Period: April-June, 2025)

Refinance schemes of BB	Amount	Number of Project
Disbursement from Refinance Scheme for Environment Friendly Projects/Products/Initiatives (in crore BDT)	212.16	08
Disbursement from Refinance Scheme for Islamic Banks & Financial Institutions for Investment in Green Products/Initiatives (In crore BDT)	-	-
Disbursement from Green Transformation Fund (GTF) (In crore USD)	-	-
Disbursement from Green Transformation Fund (GTF) (In crore Euro)	-	-
Disbursement from Green Transformation Fund (GTF) (In crore BDT)	32.42	05
Disbursement from Technology Development/Up-gradation Fund (TDF) (In crore BDT)	13.19	02

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 4 billion in view of the growing demand for financing of environment friendly products/initiatives[1]. The product line has been enhanced to 70 under 11 categories and the fund size has been further increased to BDT 10 billion in 2023. Since inception, total amount of BDT 1694.58 crore has been disbursed as refinance facility from the fund till 30 June, 2026. The disbursement scenario of this scheme during April-June, 2025 quarter is furnished below:

Table-5.2: Sub-category/ Product wise Disbursement

SL. No	Sub-category/ Product	BDT in crore
1	Compressed Block-Brick	0.72
2	Installation of Energy Auditor Certified machineries including boiler in industries	211.44
	Grand Total	**212.16**

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 finance companies to facilitate the shariah based Banks and Finance Companies in 2014[2]. In 2018 Bangladesh Bank has issued an integrated and comprehensive "master circular" [3] by revising and incorporating all the existing circular and circular letters related to this refinance scheme. BB has

[1] SFD Circular 02/2020
[2] GBCSRD circular no. 06 /2014
[3] SFD Circular No.02/2018

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 long-term refinancing scheme 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[4]. To widen the scope of this fund, it has been facilitated for all manufacturer-exporters irrespective of sectors against import of capital machinery and accessories for implementing specified green/environment–friendly initiatives since September, 2019[5]. Later, 200 million Euros has been added to the fund[6]. This Euro component of GTF can be used to import not only green machineries but also industrial raw materials 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[7]. The disbursement from this Fund is BDT 1832.47 crore to 68 clients of 20 banks till 30 June, 2025. In April-June, 2025 quarter BDT 32.42 crore has been disbursed to 05 clients of 04 banks from this local currency GTF fund.

5.4 Technology Development/Up-gradation Fund (TDF):

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[8]. 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 BDT 996.23 crore till 30 June, 2025. In April-June, 2025 quarter disbursement from this fund is BDT 13.19 crore in 2 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 coordination. Recognizing this reality, BB has gone to a

[4] FE Circular No. 02/2016
6 FE Circular Letter No. 14/2019
6 FE Circular No. 20/2020
8 SFD Circular No 02/2021
9 SFD Circular No 07/2022

paradigm shift by introducing Sustainable Finance Policy for Banks & Finance Companies. In April-June, 2025 period Banks and Finance Companies total disbursement in Green Finance is BDT 7,849.04 crore, showing a decrease of BDT 914.43 crore compared to the previous quarter. In April-June, 2025 period Banks and Finance Companies total disbursement in Sustainable Finance is BDT 1,41,125.85 crore, reflecting a decline of BDT 8,693.20 crore from the previous quarter.

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 FCs in gradual manner. Sustainable Finance Department, BB also anticipates robust, effective and coherent efforts from banks and FCs in the field of sustainable finance.

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