Sustainable Finance Department
Bangladesh Bank
Head Office

Quarterly Review Report on Sustainable Finance
of
Banks & Finance Companies

July-September, 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.

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 July 1 to September 30, 2025. It also includes green finance/investment by 61 scheduled banks and 34 finance companies under the existing refinance schemes.

Disbursement in Green Finance by Banks (Period: July-September, 2025)

8,487.22 crore BDT

Disbursement in Green Finance by Finance Companies (Period: July-September, 2025)

887.16 crore BDT

Disbursement in Sustainable Finance by Banks (Period: July-September, 2025)

1,41,093.53 crore BDT

Disbursement in Sustainable Finance by Finance Companies (Period: July-September, 2025)

2,907.77 crore BDT

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1. Introduction

Sustainability has become a key consideration in the financial sector. Bangladesh is highly vulnerable to climate change due to its geographic location. Recognizing that the financial sector can play a crucial role in accelerating the adoption of environmentally friendly financing 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 in 2020 (updated in 2023) 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 any form of financial service that includes investment, insurance, banking, accounting, trading, economical and financial advice integrating environmental, social and governance (ESG) criteria into the business or investment decisions for lasting benefits of both clients and society at large.

The financial 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 financial 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.

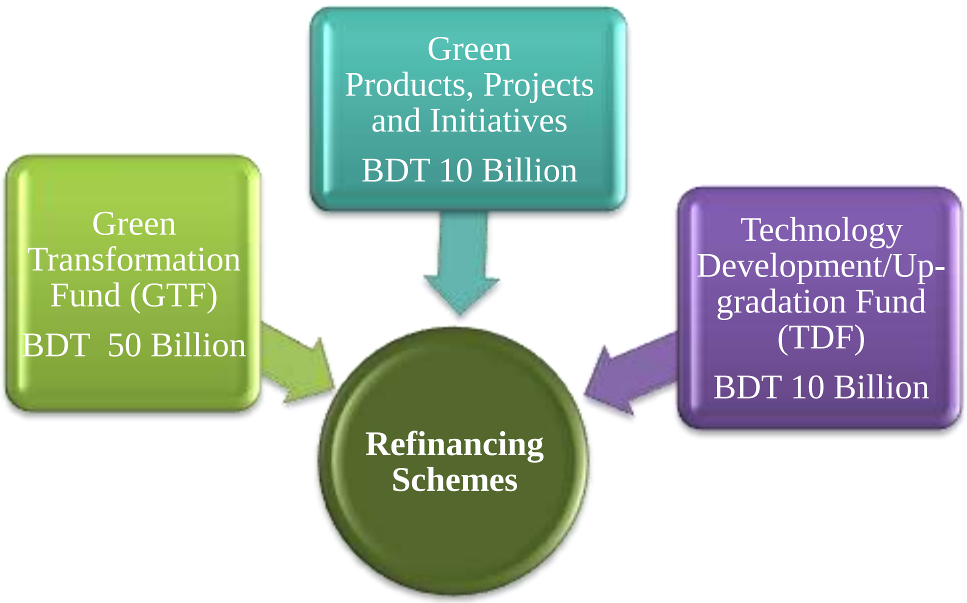
2. BB's Policy Initiatives and Refinancing Measures for Greening the Financial Sector

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
SFD Circular Letter No. 03	07.09.2025	Submission of Annual CSR Budget of Bank and Finance Companies

2.2 Refinancing Initiatives:



3. Sustainable Finance: Key Highlights (July–September 2025)

3.1 Green & Sustainable Finance:

(Amount in crore BDT)

Issue	Banks	Finance Companies	Total
Green Finance (Disbursement)	6,113.05	663.00	6,776.05
Sustainable Linked Finance (Disbursement)	64,682.60	1,833.50	66,516.10
Sustainable Finance (Disbursement)	70,795.64	2,496.51	73,292.15

3.2 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	7,649.79	23,680.08	5,312.23	28,040.49	6,113.05	70,795.64
Finance Companies	129.47	704.01	182.00	818.02	663.00	2,496.51
Total	7,779.26	24,384.09	5,494.23	28,858.52	6,776.05	73,292.15

3.3 Number of Borrowers in Sustainable Finance (July-September, 2025):

3.3.1 Sector-wise:

Number of Borrowers in Sustainable Finance by Banks & Finance Companies						
Issue	Sustainable Linked Finance (SLF)				Green Financ	Sustainable Finance
	Sustainable Agriculture	Sustainable CMSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
	1				2	1+2
Banks	351,343	74,526	329,422	26,175	43,502	824,968
Finance Companies	471	3,731	10,830	223	249	15,504
Total	**351,814**	**78,257**	**340,252**	**26,398**	**43,751**	**840,472**

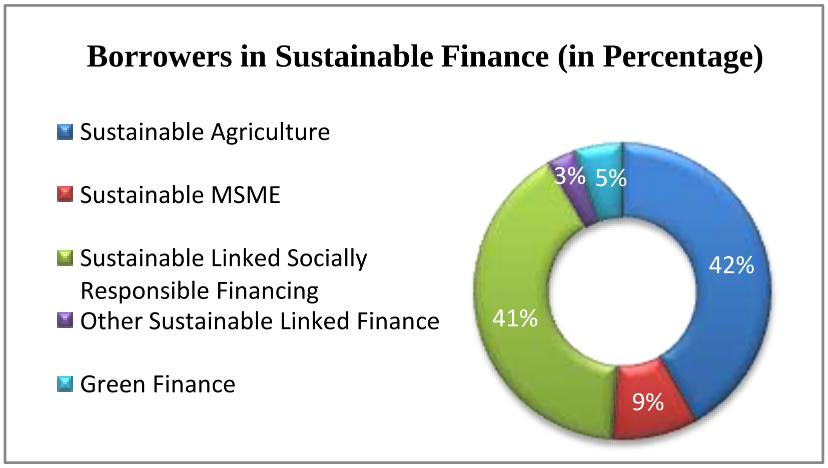
3.3.2 Gender-wise:

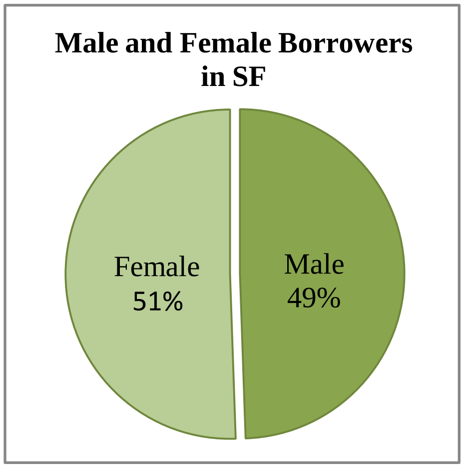
Number of Borrowers in Sustainable Finance	Male	Female	Total
Banks	407,684	417,284	824,968
Finance Companies	7,941	7,563	15,504
Total	**415,625**	**424,847**	**840,472**

3.3.3 Rural-Urban wise:

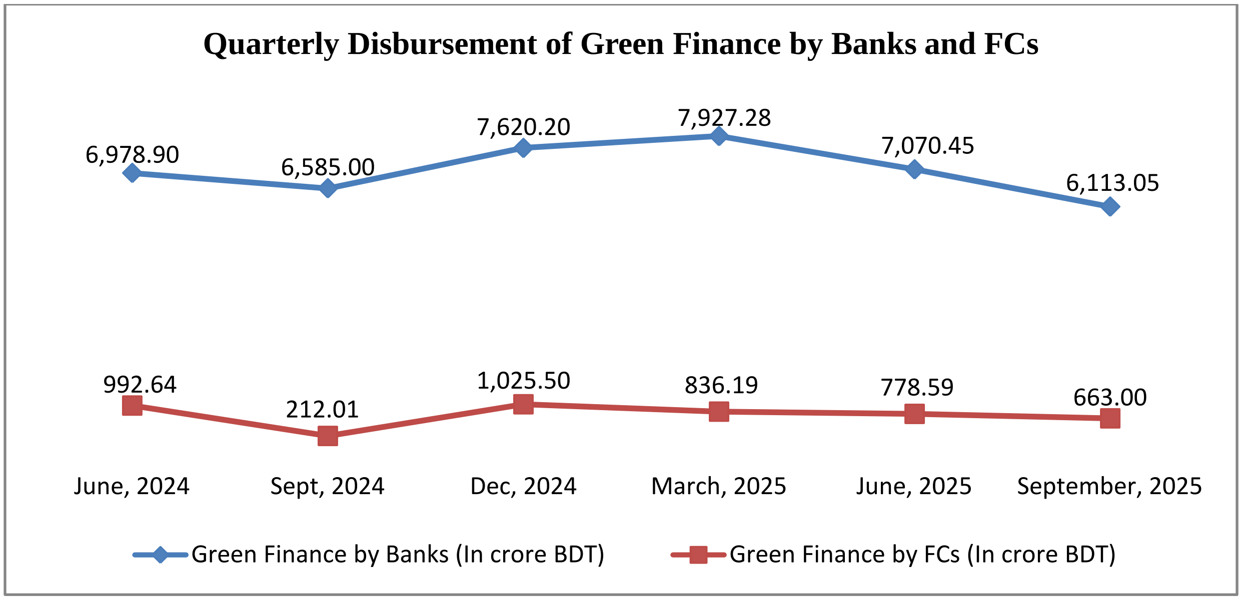
Number of Borrowers in Sustainable Finance	Rural	Urban	Total
Banks	583,985	240,983	824,968
Finance Companies	11,498	4,006	15,504
Total	**595,483**	**244,989**	**840,472**

3.3.4 Graphical Representation of the number of Borrowers in Sustainable Finance



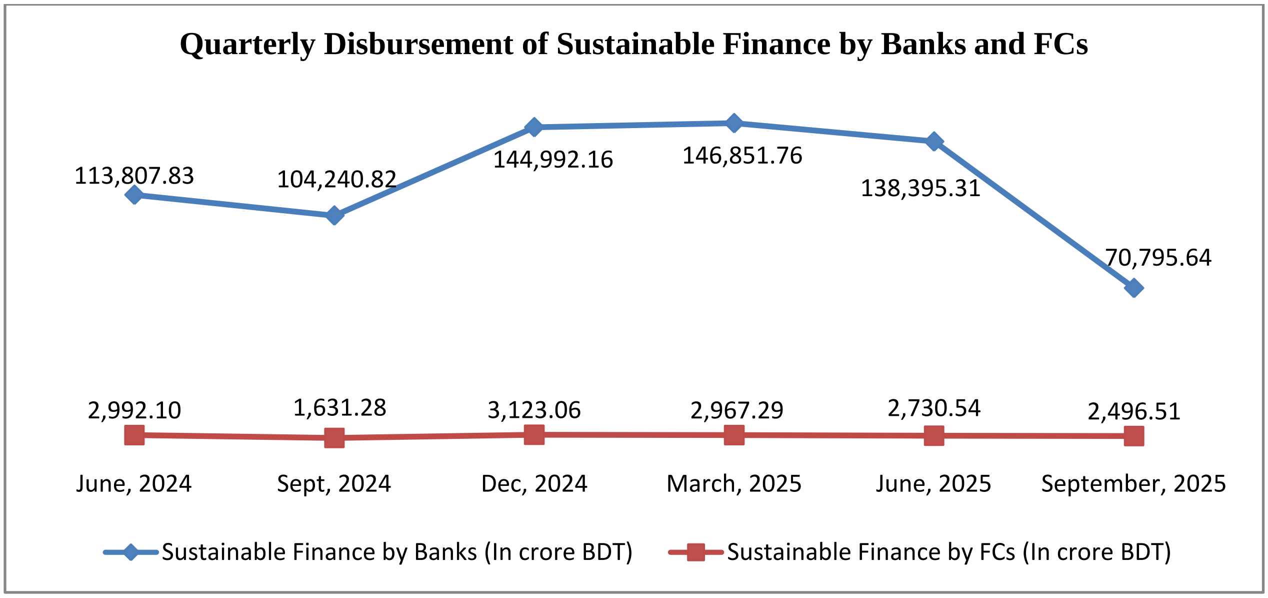


3.3.5 Quarterly Disbursement Trend of Green Finance



During the July–September 2025 quarter, total green finance disbursement by Banks and Finance Companies stood at BDT 6,776.05 crore, reflecting a marginal decline compared to the previous quarter. This reduction in green finance disbursement may be attributed to subdued credit growth in the financial sector.

3.3.6 Quarterly Disbursement Trend of Sustainable Finance:



Conversely, during the same period, total sustainable finance disbursement by Banks and Finance Companies amounted to BDT 73,292.15 crore, showing a considerable reduction compared to the previous quarter. The observed decline is driven by revisions to the Sustainable Finance Policy, as notified under SFD Circular Letter No. 01/2026.

3.3.7 Year-wise Performance of Green & Sustainable Finance:

(Amount in crore BDT)

Particulars	2021	2022	2023	2024	2025 (Jan-Sept)
Green Finance (Disbursement)	7,232.85	12,226.46	19,304.31	30,653.78	23,388.57
Green Finance as % of Total Term Loan Disbursement	3.06%	4.97%	7.25%	13.29%	14.41%
Sustainable Finance (Disbursement)	82,551.67	130,762.23	197,369.14	459,483.82	364,237.05
Sustainable Finance as % of Total Loan Disbursement	8.04%	11.59%	17.23%	39.66%	40.38%

3.3.8 Target & Achievement of Green Finance & Sustainable Finance:

In 2025, the total Green and Sustainable Finance targets for Banks and Finance Companies are set at BDT 67,820.83 crore and BDT 542,563.68 crore, respectively. These targets have been determined based on their net loans and advances outstanding as of 31 December 2024. Accordingly, Banks and Finance Companies shall set their Green Finance target at 5 percent and Sustainable Finance target at 40 percent of their net loans and advances outstanding as of 31 December 2025, and shall take all necessary measures to achieve the stipulated targets accordingly.

Issue	Amount in Crore BDT
Target of Green Finance in 2025	67,820.83
Disbursement of Green Finance in 2025 (January-September)	23,388.57
Achievement of Green Finance based on yearly target in 2025 (January-September)	34.48%
Target of Sustainable Finance in 2025	5,42,563.68
Disbursement of Sustainable Finance in 2025 (January-September)	3,64,237.05
Achievement of Sustainable Finance based on yearly target in 2025(January-September)	67.13%

3.3.9 Utilization of Climate Risk Fund:

Banks and FCs have set their CRF as per BB's instructions and ensure the utilization of funds accordingly. During July–September 2025, total utilization of the Climate Risk Fund amounted to BDT 6.19 crore.

Climate Risk Fund	Number			Amount (in crore BDT)		
Issue	Banks	FCs	Total	Banks	FCs	Total
Events	111	16	127	0.97	0.17	1.14
Projects	181	1	182	3.53	0.02	3.55
Concessional Loan	1	0	1	1.50	0.00	1.50

3.3.10 Environmental & Social Risk Management:

ESRM related information (during July-September 2025)			
Issue	Number of Projects Rated	Number of Rated Projects Financed	Amount of Rated Projects Financed (in crore BDT)
Banks	2,06,111	1,95,439	1,65,168.20
FCs	4,625	4,341	33,97.00
Total	2,10,736	1,99,780	1,68,565.20

4. Performance Review on Sustainable Finance Activities of Banks and FCs

4.1 Policy Formulation and Governance:

Bangladesh Bank introduced the Sustainable Finance Policy in December 2020 to promote an inclusive and equitable approach to economic and environmental development, while also advancing gender equality and supporting national and international commitments such as the Nationally Determined Contributions (NDCs), Bangladesh Delta Plan 2100, and the National Adaptation Plan. In line with evolving policy priorities, the Sustainable Finance Policy was updated in 2023 vide SFD Circular No. 03/2023. Pursuant to the policy, all scheduled Banks and Finance Companies have established dedicated Sustainable Finance Units and are required to formulate their own institution-specific Sustainable Finance Policies. In addition, Banks and Finance Companies are mandated to set and achieve prescribed green and sustainable finance targets in accordance with Bangladesh Bank's instructions and to take necessary measures to ensure compliance with the stipulated targets.

4.2 Overview of Sustainable Finance:

56 Banks out of 61 and 12 Finance Companies out of 34 have had exposure in sustainable finance in the reporting quarter. The overview of Sustainable Finance performance by Banks and FCs during July-September, 2025 quarter is shown in the following tables.

4.2.1 Disbursement of Green Finance, Sustainable Finance and Term Finance during July-September, 2025 Quarter:

Sustainable Finance (Period: July-September, 2025) (In crore BDT)						
Type of Bank/FC	**Total Loan Disbursed**	**Total Term Loan Disbursed**	***Green Finance***		***Sustainable Finance***	
			Disbursed	***Outstanding***	***Disbursed***	***Outstanding***
SOCBs	14,348.07	4,939.66	24.13	6,431.87	1,368.36	29,214.36
SCBs	6,365.13	565.02	1.23	28.08	3,164.92	28,541.64
PCBs	1,84,001.84	30,585.91	5,234.97	41,835.27	51,734.99	193,075.85
FCBs	26,226.81	1,101.01	42.90	958.20	4,788.48	8,832.86
ISBs	46,230.46	4,145.83	809.82	18,856.04	9,738.88	67,321.42
Total	**2,77,172.31**	**41,337.42**	**6,113.05**	**68,109.46**	**70,795.64**	**326,986.12**
FCs	13,830.03	3,946.95	663.00	11,824.69	2,496.51	20,867.37
Grand Total	**2,91,002.34**	**45,284.37**	**6,776.05**	**79,934.15**	**73,292.15**	**347,853.49**

4.2.2 Recovery and Rescheduling of Green and Sustainable Finance during July-September, 2025 Quarter:

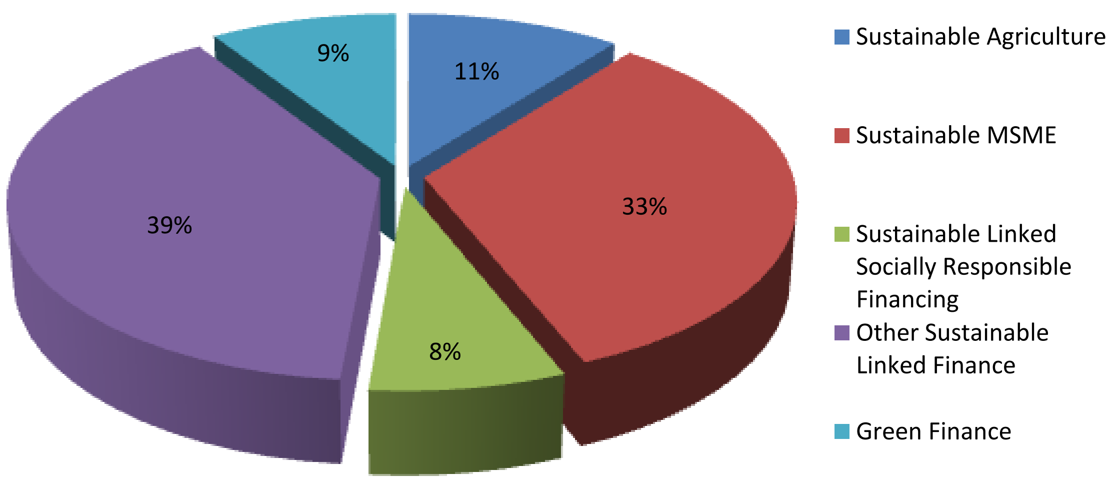
Recovery and Rescheduling of Sustainable Finance (Period: July-September, 2025) **(In crore BDT)**				
Type of Bank/FC	**Green Finance**		**Sustainable Finance**	
	Recovery	**Rescheduled**	**Recovery**	**Rescheduled**
SOCBs	152.65	49.79	1299.18	53.32
SCBs	0.54	0.00	3544.59	0.00
PCBs	4,607.68	20.86	27,419.40	500.18
FCBs	75.39	0.00	5611.04	0.00
ISBs	745.36	6.35	10,398.37	29.57
Total	**5,581.63**	**77.00**	**48,272.58**	**583.06**
FCs	612.53	1.09	1,848.51	19.42
Grand Total	**6,194.16**	**78.09**	**50,121.09**	**602.48**

4.2.3 Sector-wise Disbursement of Sustainable Finance during July-September, 2025 Quarter:

Disbursement in Sustainable Finance (Period: July-September, 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	837.98	479.70	25.00	1.55	24.13	1,368.36
SCBs	3,163.69	-	-	-	1.23	3,164.92
PCBs	2,464.94	19,326.30	3,854.83	20,853.95	5,234.97	51,734.99
FCBs	44.37	73.29	1,312.42	3,315.50	42.90	4,788.48
ISBs	1,138.81	3,800.79	119.98	3,869.49	809.82	9,738.88
Total	**7,649.79**	**23,680.08**	**5,312.23**	**28,040.49**	**6,113.05**	**70,795.64**
FCs	129.47	704.01	182.00	818.02	663.00	2,496.51
Grand Total	**7,779.26**	**24,384.09**	**5,494.23**	**28,858.52**	**6,776.05**	**73,292.15**

Sustainable finance is largely dominated by Other Sustainable Linked Finance (39%), followed by Sustainable MSME financing (33%). Sustainable Agriculture accounts for 11 percent, while Green Finance (9%) and Sustainable Linked Socially Responsible Financing (8%) comprise relatively smaller shares. Overall, the distribution reflects a stronger emphasis on broad sustainability-linked and MSME financing, with scope for further expansion of green and socially responsible finance

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



4.3 Green Finance- Category wise:

During the reporting quarter, 42 out of 61 Banks and 11 out of 34 Finance Companies recorded exposure in green finance. Total green finance disbursement amounted to BDT 6,113.05 crore by Banks and BDT 663.00 crore by Finance Companies during the July–September 2025 period. A sector-wise breakdown of green finance activities of Banks and Finance Companies is presented in the following tables:

Disbursement in Green Finance - *Table Continued* **(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	0.76	-	-	0.14	-	1.37	0.18
SCBs	0.53	-	0.02	-	-	-	-
PCBs	30.91	2,180.77	14.85	25.36	0.40	353.31	31.99
FCBs	0.30	7.60	-	-	-	-	-
ISBs	3.05	244.24	-	53.73	-	113.70	20.73
Total	**35.55**	**2,432.61**	**14.88**	**79.23**	**0.40**	**468.38**	**52.90**
FCs	298.93	228.55	79.62	-	-	10.71	0.50
Grand Total	**334.47**	**2,661.15**	**94.50**	**79.23**	**0.40**	**479.09**	**53.40**

Disbursement in Green Finance (in crore BDT)							
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	-	5.89	15.79	-	-	-	-
SCBs	-	0.68	-	-	-	-	-
PCBs	354.56	194.28	299.16	1,708.11	-	0.88	40.38
FCBs	35.00	-	-	-	-	-	-
ISBs	318.68	8.05	5.21	2.89	-	-	39.55
Total	**708.24**	**208.90**	**320.16**	**1,710.99**	**-**	**0.88**	**79.93**
FCs	32.85	4.79	6.56	0.50	-	-	-
Grand Total	**741.09**	**213.69**	**326.72**	**1,711.49**	**-**	**0.88**	**79.93**

4.4 Sector-wise Outstanding of Green Finance:

As of 30 September 2025, total outstanding green finance stood at BDT 79,934.15 crore, with the largest share concentrated in Energy & Resource Efficiency (BDT 28,412.71 crore), followed by Green/Environment-Friendly Establishments (BDT 17,156.01 crore) and Green Socially Responsible Financing (BDT 7,901.35 crore). Renewable Energy and Liquid Waste Management also recorded substantial outstanding amounts of BDT 5,735.89 crore and BDT 7,238.86 crore, respectively. In contrast, comparatively lower outstanding amounts were recorded in Alternative Energy, Blue Economy Financing, Information and Communication Technology, and Solid Waste Management, indicating scope for further diversification of green finance across emerging sectors.

Sector-wise Outstanding of Green Finance as of 30 September, 2025 (In crore BDT)		
SI No.	**Sector Name**	**Outstanding**
1	Renewable Energy	5,735.89
2	Energy & Resource Efficiency	28,412.71
3	Alternative Energy	336.18
4	Liquid Waste Management	7,238.86
5	Solid Waste Management	48.04
6	Circular Economy & Eco-Projects Financing	5,448.62
7	Environment Friendly Brick Production	2,390.53
8	Green/Environment Friendly Establishments	17,156.01
9	Green Agriculture	717.85
10	Green CMSME	2,254.38
11	Green Socially Responsible Financing	7,901.35
12	Blue Economy Financing	364.77
13	Information and Communication Technology	261.84
14	Miscellaneous	1,667.12
Total Green Finance		**79,934.15**

4.5 Sector-wise Outstanding of Sustainable Finance:

As of 30 September 2025, total outstanding sustainable finance amounted to BDT 347,853.49 crore. Sustainable MSME financing constituted the largest share, followed by Green Finance and Other Sustainable-Linked Finance. Sustainable Agriculture and Sustainable Socially Responsible Financing also contributed meaningfully to the overall portfolio, reflecting continued emphasis on inclusive growth, environmental sustainability, and socially responsible investments.

Sector wise Outstanding of Sustainable Finance as of 30 September, 2025		
SI No.	**Sector Name**	**Outstanding** (In crore BDT)
1	Sustainable Agriculture	62,197.92
2	Sustainable MSME	109,075.87
3	Sustainable Socially Responsible Financing	18,468.72
4	Other Sustainable Linked Finance	78,176.83
5	Green Finance	79,934.15
Sustainable Finance		**347,853.49**

4.6 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. During the reporting period, a total of 210,736 projects underwent Environmental and Social Risk Rating, of which 199,780 projects were financed, amounting to BDT 168,565.20 crore. Private Commercial Banks accounted for the largest share in both the number and value of rated and financed projects, followed by Islamic Banks

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	22,760	19,241	365.44
SCBs	0	0	0.00
PCBs	1,17,401	134,201	1,17,393.92
FCBs	995	1,444	21,336.95
ISBs	64,955	40,553	26,071.90
Total	**2,06,111**	**1,95,439**	**1,65,168.20**
FCs	4,625	4,341	3,397.00
Grand Total	**2,10,736**	**1,99,780**	**1,68,565.20**

5. Review of BB's Refinancing Schemes for Green Finance:

At a glance Refinance Schemes of BB for Green Finance (Period: July-September, 2025)		
Refinance Schemes of BB	**Amount** (In crore BDT)	**Number of Project**
Disbursement from Refinance Scheme for Environment Friendly Projects/Products/Initiatives	87.95	31
Disbursement from Green Transformation Fund (GTF)	30.83	08
Disbursement from Technology Development/Up-gradation Fund (TDF)	17.64	04

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 1782.54 crore has been disbursed as refinance facility from the fund till 30 September, 2025. The disbursement scenario of this scheme during July-September, 2025 quarter is stated below:

[1] SFD Circular 02/2020

Table-5.2: Sub-category/ Product wise Disbursement		
SL. No	Sub-category/ Product	BDT in crore
1	Compost Production from Municipal Waste Plant	1.46
2	Installation of Energy Auditor Certified machineries including boiler in industries	60.11
3	Financing in govt. approved Eco-tourism project	2.76
4	Production of Vermicompost	0.07
5	Small size Biogas plants-1.2,1.6,2.0,2.4,3.2 and 4.8 cubic meter gas production per day	0.05
6	Solar Home System	0.06
7	Solar Mini Grid	23.44
	Grand Total	**87.95**

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[2]. 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[3]. Later, 200 million Euros has been added to the fund[4]. 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[5]. The disbursement from this Fund is BDT 2140.82 crore to 76 clients of 21 banks till 30 September, 2025. In July-September, 2025 quarter BDT 308.35 crore has been disbursed to 08 clients of 07 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[6]. 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

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

and Finance Companies through the SFD Circular No-02 dated 17 January 2021 and SFD Circular letter No-01 dated 08 June 2023. 31 Banks & 9 Finance Companies are covenanted with Sustainable Finance Department for this fund. The disbursement from this Fund is BDT 1,013.86 crore till 30 September, 2025. In July-September, 2025 quarter disbursement from this fund is BDT 17.64 crore 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 coordination. Recognizing this reality, BB has gone to a paradigm shift by introducing Sustainable Finance Policy for Banks & Finance Companies. In July-September, 2025 period Banks and Finance Companies total disbursement in Green Finance is BDT 9,374.38 crore, showing an increase of BDT 1525.34 crore compared to the previous quarter. In July-September, 2025 period Banks and Finance Companies total disbursement in Sustainable Finance is BDT 1,44,001.30 crore, reflecting an increase of BDT 2,875.45 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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