

WE SHALL OVERCOME

**Review of CSR activities of Bangladesh Bank,
Commercial Banks & Financial Institutions-2014**

June 2015



Bangladesh Bank

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Governor's Foreword

I am delighted to introduce this sixth (2014) annual review of CSR initiatives of the Bangladesh financial sector. It is heartening to note the steady deepening of CSR engagements of banks and financial institutions; reflected in (i) around fifteen percent increase in direct expenditure outlays in diverse areas including disaster relief, emergency assistance, health, education, gender fairness, redressing environmental degradation and so forth, (ii) sustained, increasing engagement in inclusive financing of farm/off-farm MSME initiatives, and in financing adoption of environmentally sustainable 'green' output options, and (iii) adoption of energy efficient, environmentally benign options in internal processes and practices.

To facilitate orderly planning and implementation of the CSR initiatives steadily expanding in size and diversity, in 2014 Bangladesh Bank has issued structured guidelines for CSR fund allocations and utilization, including implementation oversight and end use monitoring. Apart from issuing these guidelines for banks and financial institutions, Bangladesh Bank has for the first time allocated its own funds for its own CSR engagements in 2014; joining in practicing of what it is preaching.

Much as we expected, the growing and widening CSR initiatives of our financial sector are deepening the ingraining of a socially responsible inclusive, environmentally sustainable financing ethos, enhancing the inclusive and equitable quality of Bangladesh's economic and social progress. I look forward to our financial sector inspiring similar CSR initiatives and engagements in the broader arena of their real sector business clients, and hope that this publication proves useful for that.

A handwritten signature in black ink, belonging to Dr. Atiur Rahman. The signature is stylized and cursive, written on a light-colored background.

Dr. Atiur Rahman
Governor



Foreword

Since the issuance of CSR directive by BB, the involvement of banks/FIs in CSR activities has augmented in many folded aspects as depicted in this report. Bank/FIs' rapidly increasing participation in CSR activities with incorporation of socially and environmentally accountable organizational objectives, strategies and operations that are swiftly turning into global standards in "socially responsible competition" towards rearing inclusive economic and social growth and facilitate the nation to go forward with desired growth and efficient allocation of resources.

As CSR ensures trade-off between economic and social goals of the efficient utilization of scarce resources, the financial sector is, in the course of their intermediation role, contributing a lot in this regard. CSR practices by bank/FIs not only improve their own standards but also catalyze the socially responsible behavior of other businesses. Financial industry itself is also benefiting from the positive effects of CSR on the society as a whole, particularly on its clients. So, the role of them for pursuing appropriate CSR practices in the society, especially in a developing country like ours, need to be duly emphasized.

I hope that this review will help increasing the collaborative effort by the concerned bodies and the CSR activities by banks which will in turn support sustainable development drive of the Government.

Shitangshu Kumar Sur Chowdhury
Deputy Governor

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Abbreviations and Acronyms

AAB= ActionAid Bangladesh
BB= Bangladesh bank
BKB= Bangladesh Krishi Bank
BNSB= Bangladesh National Society for the Blind
BSMMU= Bangabandhu Sheikh Mujib Medical University
CMA= Citi Microentrepreneurship Awards
CRP= Center for Rehabilitation of the Paralyzed
CSR= Corporate Social Responsibility
DSCC= Dhaka South City Corporation
DUAA= Dhaka University Alumni Association
ETPs= Effluent Treatment Plants
FCBs= Foreign Commercial Banks
JICA= Japan International Cooperation Agency
MFIs= Micro Finance Institutions
NBFIs= Non-Bank Financial Institutions
NGOs= Non Government Organizations
PCBs= Private Commercial Banks
RAKUB= Rajshahi Krishi Unnayan Bank
SAHIC= Society for Assistance to Hearing Impaired Children
SoCBs= State owned Commercial Banks
SDBs= Specialized Development Banks
SME= Small and Medium Enterprise

A

Highlights of CSR activities of Bangladesh Financial Sector in 2014

In 2008, Bangladesh Bank initiated the mainstreaming of CSR campaign in the financial sector of Bangladesh. This initiative has inspired increasing depth and diversity of CSR engagements of banks and NBFIs, both in direct budgetary expenditure and in financial inclusion drives, in greening of their internal practices and processes, and in lending to environmentally benign projects. These increasing levels of financial involvements in CSR engagements have raised concerns about proper allocation of CSR budgets, free of insider interests, and about proper end use monitoring. To consider all these issues, a new Indicative guidelines for allocation and end use monitoring of CSR engagements of the financial sector has been issued by BB on December 22, 2014 (Annexure-4). The guideline clearly states the administrative setup, budgetary allocation, expected range/coverage of CSR activities and end use monitoring process of CSR expenditures and activities.

A1. Highlights of CSR activities(BB)

- BB has sanctioned 5.13 crore in the FY 2014-15 from the 'Bangladesh Bank Disaster Management & Corporate Social Responsibility fund' for different projects addressing health, education, environment and human resources development/capacity building, financial inclusion and women empowerment etc. (table 1).

Table 1 : Bangladesh Bank Disaster Management & Corporate Social Responsibility fund			
Sectors	Organization	Project description	Amount
Education	Proyash	Education & rehabilitation of specially challenged children	25,00,000.00
	Agricultural Sustainable and Socio-Economic Development Organization (ASSEDO)	Distribution of solar lamp among poor/ultra poor students	5,00,000.00
	Polan Sarker Pathagar	Procurement of vehicle for mobile library	2,00,000.00
	Children & Earth Welfare Society	Establishment of Early Childhood Development (ECD) Program	15,00,000.00
	Steps toward Development	Best School for Girls and Boys: Reduce Early Marriage, Reduce Dropout.	30,00,000.00
	Disaster Science & Management Department	Procurement of scientific equipment for laboratory	75,00,000.00
	VAB (Support for Educational Program)	Distribute books /study materials, provide stipends to poor and meritorious students of remote area.	10,00,000.00
	Vidyasagar-Rokeya Shiksha Trust	Develop school level education system and conduct educational activities.	50,00,000.00

	Shadhona Shongshod	Publish research-based books, conduct education/training/self-employment generating activities.	10,00,000.00
Health	Dhaka Medical Collage Burn Unit	Expansion and Modernization of the Burn Unit	5,00,000.00
	Momtaz Hospital	Procurement of medical equipment.	2,00,000.00
	Dr. Adib Hassan	For treatment of Dr. Adib Hassan on special consideration.	3,00,000.00
	Sakhawat H. Memorial Trust	Procurement of medical equipment for autistic children.	50,00,000.00
Environment	Bangladesh Bonno Prani Sheba Foundation	Construction of a 2-room waiting space for visitors and 2 cages for animals.	5,00,000.00
	Dr. M. Monzur Hossain-Alo Asha Foundation	Construction of natural cold storage	20,00,000.00
	Buriganga Riverkeeper Program (Blue Planet Initiative)	Reduction of pollution of Buriganga river.	5,50,000.00
	Kartik Poramanik	Plantation of trees.	2,00,000.00
Human Resources development/ Capacity building	Management Resources and Development Initiative (MRDI)	CSR for Advancement and Social Emancipation (CASE)—Phase 2	35,00,000.00
	Dipto Foundation	Gender development, employment generation for marginal & destitute people	20,00,000.00
	Bangladesh Youth Leadership Centre (BYLC)	Implement the project 'Building Bridges through Leadership Training (BBLT)'	20,00,000.00
Financial Inclusion/ Women Empowerment	Faria Lara Foundation	Construction of a women's hostel in Barguna district for female students of remote coastal area.	50,00,000.00
	Shamata Nari Kalyan Shangstha (SNKS)	Distribution of sewing machines among poor women of char lands.	5,00,000.00
	Jamuna Shamaj Kalyan Shangstha (JSKS)	Establish a seed bank in remote char lands.	5,00,000.00
	Own Village Advancement (OVA)	To provide 60 tube wells, 12 shallow machines and spray machines to women of tista river's char land.	5,00,000.00
	Grameen Bohumukhi Unnayan Shangstha (GBUS)	Implementation of a project aimed to establish a library to display employment generating information related books/ dippings etc.	4,50,000.00
	Program for Women's development (Under supervision of MRDI)	Provide short-term donation to 19 birangonas and create long-term employment generation opportunities for them.	9,20,000.00
	Monjur Agro Farm Ltd.	Produce oil palm saplings and to distribute among farmers.	10,00,000.00
	Monohor ICM Krishok Club	Introduction of modern cultivation system, create awareness among cultivators about environment etc.	5,00,000.00
	Resource Integration Centre (RIC)	Scaling Up Facilitated Social and Health Services for Vulnerable Older People in Selected Union of 6 Districts in Bangladesh.	25,00,000.00
	Consumer Association of Bangladesh (CAB)	Capacity Building	5,00,000.00

A2. Highlights of CSR activities (Banks)

- Total annual direct CSR expenditure of banks increased by Tk. 633.97 million than the previous year.

Year	2011	2012	2013	2014
CSR expenditure (million Taka)	2188.33	3046.69	4471.49	5105.46

- Bank's attention on i) financial inclusion of less privileged population segments and underserved economic sectors, ii) promotion of health, education and cultural/recreational activities for advancement and well being of underprivileged population segments, iii) promotion of environment friendly projects, iv) adoption of energy efficient, carbon footprint reducing internal processes and practices in own offices and establishments was going on. Besides continuance and extension of preceding activities in these areas, following newer drives are seen in the 2014 CSR reports of different banks:

- Organizing a day long training program on Scientific Methods of Crop Cultivation and Plant Protection for the farmers. Farmers received theoretical knowledge and practical training on Modern Scientific Methods & Techniques of Crop Cultivation and plant protection for Rice, Maize, Mustard, Banana, Vegetables and other High Value crops.
- Arranging training session in homestead gardening, agriculture and providing seeds, training on fisheries, livestock and poultry rearing for marginalized women. Each of them is also provided basic accounting and business management skills as well as sector-specific technical knowledge.
- Taking responsibility for bearing all educational expenses up to HSC level for the two sons of late Liacot Ali, who lost his life while trying to save a young lady attacked by miscreants in Dhaka.
- Handing over Saplings to students as part of environment awareness campaign among the students.
- Contributing a cooling system for the newborn babies of Khulna Shishu Hospital.
- Awarding companies for their outstanding CSR activities that created jobs, brought education to poor children and spread awareness on nature conservation.

- Besides CSR initiatives involving direct expenditure, all banks participated actively in promoting SMEs and agricultural financing as previous years.

A3. Highlights of CSR activities (NBFIs)

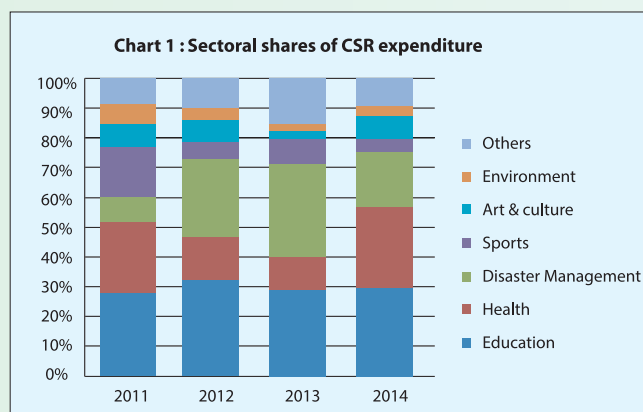
- Unlike banks, CSR expenditure of NBFIs is concentrated more in the 'Art & Culture' (26.71%) sector in 2014.
- Prominent CSR activities by NBFIs are :
 - Almost all NBFIs distributed blankets and warm clothes among cold-hit people of the country during winter.
 - A homestead tree plantation project in Chittagong Hill Tracts has been sponsored.
 - Skill development program has been conducted jointly with Fareast Knitting and Dyeing Industries Limited, ILO Bangladesh, Directorate of Technical Education, Gazipur Technical School and College, and CARE Bangladesh
 - Continuing education support to poor and underprivileged children in slum area/ hearing impaired children/underprivileged children with disabilities etc.
 - Arranging free medical camp for underprivileged people.

Trends of sectoral pattern of direct CSR expenditure reported by the Financial Sector

B1. Direct CSR expenditure reported by Banks

Sectors	2011		2012		2013		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Education	612.48	27.99	983.69	32.29	1295.18	28.97	1508.00	29.54
Health	520.42	23.78	435.43	14.29	481.68	10.77	1383.70	27.10
Humanitarian & disaster relief	188.03	8.59	788.37	25.88	1385.83	30.99	949.47	18.60
Sports	359.07	16.41	183.85	6.03	384.02	8.59	207.37	4.06
Art & culture	171.52	7.84	213.31	7.00	124.75	2.79	407.11	7.97
Environment	138.07	6.31	140.23	4.60	106.59	2.38	164.55	3.22
Others	198.73	9.08	301.81	9.91	693.41	15.51	485.24	9.50
Total	2188.33	100	3046.69	100	4471.49	100	5105.46	100

Among all specific categories of CSR expenditure as shown in table 2, banks continued to maintain major share in education, health and humanitarian & disaster relief. Education, health, humanitarian and disaster relief contributed to 29.54%, 27.10% and 18.60% share respectively. i.e. 75.24% out of total CSR expenditure. Expenditure on sports (4.06%) decreased but on Art and culture (7.97%) and environment (3.22%) increased in 2014. Notable specific share of expenditure in CSR programs of banks in 2014 are as follows:



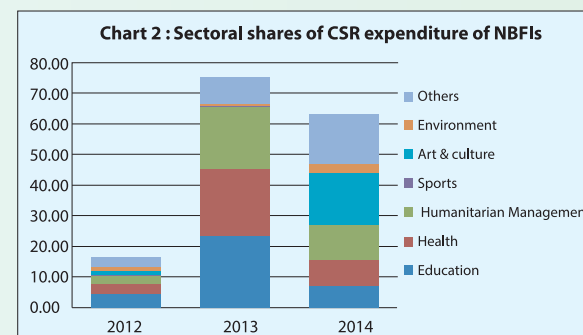
- Education sector (29.54%) got the highest weightage as percentage of total CSR expenditure in 2014 unlike 2013.
- CSR expenditures of banks in the health sector continued to contribute in established hospitals, clinics etc. as well as arranging free health treatment camp, blood donation program etc. in 2014.
- Banks are paying due attention to gender fairness issues in their internal work environment, recruitment, maternity leave policies etc. and are reporting to BB on gender issues like the previous year.
- CSR expenditures of banks as percentage of their after tax profit range from 0.11% to 82.38% (Annexure 3). The percentages are in double digits for 9 PCBs and 1 SoCB, which were for 12 PCBs and 1 SoCB in 2013.

B2. Direct CSR expenditure reported by NBFIs

Total annual direct CSR expenditure of NBFIs was Tk 63.10 million during 2014.

	2012	%	2013	%	2014	%
Education	4.69	28.0	23.37	31.13	7.14	11.31
Health	2.95	17.61	21.81	29.05	8.48	13.43
Humanitarian & Disaster relief	2.662	15.89	20.10	26.78	11.43	18.11
Sports	0.31	1.83	0.50	0.67	00	00
Arts & Culture	1.35	8.08	0.15	0.20	16.85	26.71
Environment	1.23	7.36	0.63	0.84	3.15	4.99
Others	3.55	21.22	8.51	11.33	16.06	25.44
Total	16.75	100	75.06	100	63.10	100

Unlike 2013, NBFIs concentrated more in the 'Art & Culture' (26.71%); 'others' (25.44%) and 'Humanitarian & Disaster Relief' (18.11%) sectors in 2014. NBFIs contributed more on 'Others' sector which is not encouraged by BB. Other important sectors like education and health get less priority. Sectoral shares of CSR expenditure of NBFIs in 2014 are as follows:



Trends of CSR initiatives not involving direct expenditure

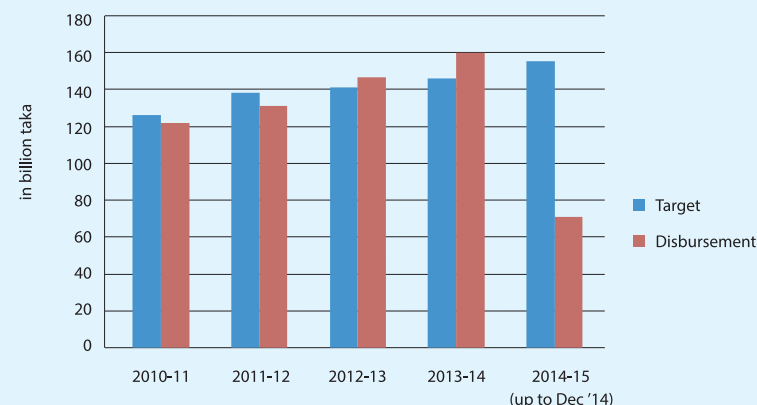
Promotion of financial inclusion by Banks

Bangladesh Bank has been supporting the government's inclusive growth efforts by promoting inclusive financing of all productive initiatives including those of the traditionally underserved farm & nonfarm SMEs and other innovative niche area entrepreneurs. BB's inclusive financing promotion takes place within the overall monetary growth envelop of monetary programs designed to maintain price stability and macro-financial stability.

Besides agricultural credit programs pursued by all banks (with FCBs lending mostly through locally active MFIs), the financial inclusion programs of banks comprised:

- a) Initiatives aimed at prompt delivery of remittances of migrant workers to recipients in remote rural households, in programs of card based/mobile phone based delivery of 19 PCBs.
- b) The landless sharecroppers who were otherwise deprived of institutional credit are now financed by banks. Under this scheme, Tk. 1,54,95,442.00 was disbursed to 9,49,810 lac farmers up to 2014.
- c) Savings accounts of 14.96 million farmers have been opened accepting Taka 10 only as an initial deposit.
- d) 28 banks obtained mobile banking licenses; 19 among them have started operation. These banks have engaged four hundred thousand persons and institutions as agents for providing mobile banking services countrywide. At the end of December 2014, the number of MFS customers crossed 25.18 million. The total amount of transaction in December 2014 is Tk. 104.83 billion, which was Tk. 100 billion in 2013. The average daily volume is about Tk. 3.49 billion. Volume of transaction is gradually increasing.
- e) In order to include large number of micro women entrepreneurs in the SME credit facilities, a policy of group based lending of up to BDT 50,000 or above has been instigated. During 2014, financial sector have financed Tk. 2,651 crore to 20,349 women entrepreneurs which is 3.7% of the total SME borrowers.
- f) A refinance scheme with funds from BB, IDA, ADB and JICA is available at BB at reduced rate of interest; 15% of the total fund is reserved for women entrepreneurs only. By now, Tk. 1011 crore has been financed to 11,500 women entrepreneurs under this refinance scheme.
- g) Disbursement of agricultural credit stood respectively at Tk. 111.17 billion, Tk. 121.84 billion, Tk. 131.37 billion, Tk. 146.70 billion and Tk. 160.40 billion during the last five fiscal years (2009-10 to 2013-14). In FY15 annual agricultural credit disbursement target has been fixed at Tk. 155.50 billion which is Tk. 9.55 billion or 6.54 percent higher than previous year's credit disbursement target of Tk. 146.00 billion.
- h) Considering the crucial role of agriculture in our economy, the Government has accorded greater importance to this sector and continued to provide strong policy support during FY14. Good performance of all sub-sectors within agriculture resulted in an increase of growth of this sector to 3.4 percent in FY14

Chart 3 : Agricultural credit : target vs disbursement



from 2.5 percent in FY13. The sector contributed 16.3 percent of GDP during the year. Aligned with Government's efforts, BB also articulated a new vision for sustainable agricultural growth by providing broad based policies and credit for the sector. The goal is to increase the disbursement of agricultural and rural credit by expanding banking services to rural areas, making the farmers accustomed to banking activities and to promote financial inclusion. This policy support is expected to continue stimulating the agricultural production and help to reduce rural poverty.

- i) In order to include the extremely excluded children into the formal financial services, BB introduced banking for working/street children in March 2014. These accounts can be opened through any enlisted NGO as custodial account by depositing Taka 10. Concerned NGO will be fully responsible for the operation of the accounts and the well being of the account holder children. This activity has started in 31 May 2014 and ten banks have signed bi-lateral agreement with different registered NGOs for offering this service as of end December 2014. Total outstanding of working/street children account stood at Taka 13.00 lac against 1,553 accounts at the end of December 2014.
- j) BB also decided to further extend credits on concessional rates to the flood affected farmers of 21 districts with a view to keeping production of crops including aman, fisheries, winter crops and import substitute crops (pulses, oilseeds, spices, maize) uninterrupted. All the scheduled banks have to monitor that the affected farmers get credits timely according to their demand without harassments.

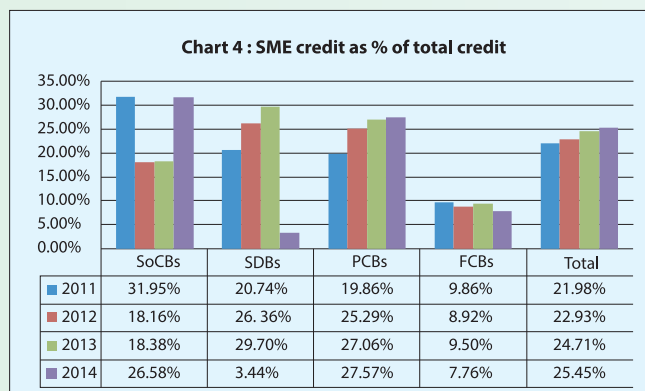
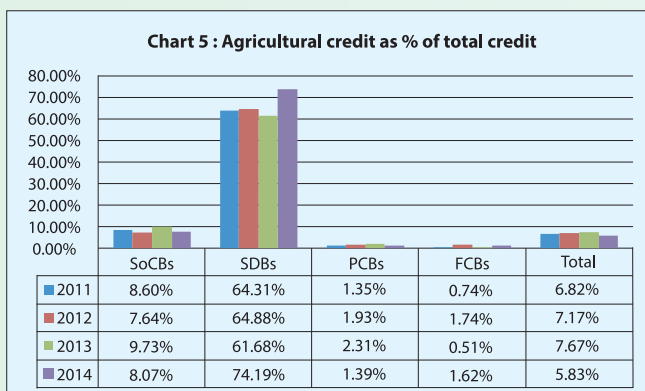


Chart 4 is showing a steady and rising trend in outstanding SME as a percentage of total outstanding credit. In 2014, one SDB is taken into SoCB group because of its financial illness. That is why SME credit as percentage of total credit is very low (3.44%) in 2014. Chart 5 shows slightly a downward trend of agricultural credit as a percentage of total outstanding credit. Because during 2014 agricultural credit disbursement in some subsectors like irrigation equipment, agri-equipment and grain storage & marketing was lower than the same period of the previous year.



- Banks are disbursing credit at 4 percent concessional rate of interest to promote cultivation of different varieties of pulses, oil seeds, spices especially ginger, turmeric, onion, chilly, cumin and maize. Banks are being compensated against the low lending rate with 6 percent govt. subsidy. Under this scheme in FY 2014-15, BB disbursed Tk. 72,52,283 as subsidy up to January 2014.

Gender Issues in the Financial Sector

D1. Gender issues in Banks

Table 4 below shows that female employment continues to be concentrated at the entry and mid level: around 13.70% of women work at entry level and 14.18% at mid level but less at senior management level (7.46%) in the banking industry. There are a larger share of women employees in the below 30 age group relative to the older age groups like previous years. The percentage of female Board Members totaled 11.27% in 2014, which was 13.73% in 2013. The 'turnover ratio' in table 5 shows that the share of departing males is higher than that of females for SoCBs, with PCBs and FCBs showing better ability to retain female staff as was reverse in previous years. Table 5 presents a picture of important gender equality issues.

Banks	Board members	Entry level	Midlevel	Senior Management	<30 years	30-50 years	>50 years	Turnover ratio
SoCBs	9.09	11.93	13.36	9.38	22.13	12.75	6.92	1.13
SDBs	0	8.55	9.24	5.78	9.96	7.99	8.77	0.95
PCBs	12.28	16.32	14.92	6.76	18.29	13.55	5.76	0.66
FCBs	8.93	21.56	16.27	9.58	28.73	14.75	5.98	0.67
Total	11.27	13.70	14.18	7.46	18.35	12.98	6.91	0.73

Note: Turnover ratio is the share of departing male staff among total male staff divided by the share of departing female staff among female staff.

Banks	6 month maternity Leave	Crèche	Transport facility for females working beyond usual working hour	Awareness training on gender issues	Policy for addressing harassment complaints	No. of complaint during 2014
SoCBs	5	1	3	1	2	0
SDBs	3	0	2	0	0	0
PCBs	37	4	15	7	16	0
FCBs	6	1	2	4	7	0
Total	51	6	22	12	25	0

Notable issues as displayed in Table 5 include

- 51 banks have provisions for 6-month maternity leave, which was 34 in 2013; others allow 3/4 months leave. 35 PCBs have 6 month maternity leave policy.
- 6 banks have established creche facilities.
- 25 banks reported having policies of handling gender related harassment complaints. No banks reported any complaints in 2014.
- 1 SoCB, 7 PCBs and 4 FCBs reported having awareness training on gender issues in 2013.
- 22 banks have safe transport policies for female workers.

D2. Gender issues in NBFIs

The percentage of female Board Members totaled 11.67% in 2014. Female employment remains concentrated at the entry level: around 18.16% of women work at this level, which have been contracting at mid (11.95%) and senior management level (8.57%).

Table 6 : Percent of females personnel

Board members	Entry level	Midlevel	Senior Management	<30 years	30-50 years	>50 years	Turnover
11.67	18.16	11.95	8.57	22.36	12.54	9.43	1.0895

Table 7 : Gender Issues

6 month maternity Leave	Crèche	Transport facility for females working beyond usual working hour	Awareness training on gender issues	Policy for addressing harassment complaints	No. of complaint during 2014
27	1	19	6	9	0

Notable issues as displayed in Table 7 include

- 27 NBFIs have provisions for 6-month maternity leave, others allow 2/3/4 months leave. One of the NBFIs has established crèche facilities.
- 9 NBFIs reported having policies of handling gender related harassment complaints, none of them have reported receiving any complaints in 2014.
- 9 NBFIs reported having awareness training on gender issues in 2014.
- 19 NBFIs have safe transport policies for female workers.

Warm cloth & Blanket distribution by Financial Sector

All banks and NBFIs distributed blankets and/or warm clothes among the cold-hit destitute people of the country during the winter season like previous years.

Table 8 shows a comparative picture of blanket distribution in the year 2013 and 2014. Banks/NBFIs concentrated more in Rajshahi, Rangpur and Khulna divisions in 2014. Sylhet, Barisal and Dhaka division get less concentration in this year. Overall distribution increased by 170.36% in 2014 than in 2013. They also distributed the same through BB and Prime Minister's Relief Fund.

Table 8 : Blanket/Warm-cloth distribution by Banks & NBFIs

Divisions	2013	2014	Rate of increase
Dhaka	193,433	362,371	87.34%
Khulna	31,886	109,438	243.22%
Rajshahi	56,254	232,555	313.40%
Sylhet	34,300	55,220	60.99%
Barisal	25,970	47,071	81.25%
Rangpur	49,652	174,914	252.28%
Chittagong	95,253	196,943	106.76%
Bangladesh Bank	15,700	49,000	212.10%
Prime Minister's Relief Fund	160,000	563,495	252.18%
Total	662,448	1,791,007	170.36%

Progress in deepening of CSR practices in the Financial Sector

F1. Progress in deepening of CSR practices in Banks

Institutionalizing CSR at corporate level

All banks have embraced CSR in 2014 with decision at the highest corporate level. 16 PCBs, 3 SoCBs and 1 FCB have formed separate Foundations or Trusts as non-profitable institutions solely devoted to the cause of charity, social welfare and other benevolent activities towards the promotion of CSR objectives.

Ingraining CSR practices within the organization & client businesses

- 53 out of 56 banks (4 SoCBs, 3 SDBs, 37 PCBs and 9 FCBs) have taken steps for adoption of socially and environmentally responsible practices in their own internal operations in 2014.
- 3 SoCBs, 2 SDBs, 33 PCBs and 7 FCBs reported have taken actions towards providing a healthy and safe workplace and creating an environment conducive to learning and development. 4 SoCBs, 2 SDBs, 31 PCBs and 7 FCBs reported having taken steps to reduce the adverse environmental impacts of their operations and business activities, including use of recycled materials, minimizing generation of wastes etc.
- 3 SoCBs, 1 SDBs, 29 PCBs and 6 FCBs have taken steps in 2014 to foster CSR in their client businesses in various economic sectors, assessing the social and environmental impacts of the enterprises/projects seeking finance. They have mentioned their practices of discouraging projects that are likely to have adverse impact on environment. Some banks have also reported introducing guidelines for assessment of environmental and social impacts of the projects.

CSR engagement through donations to CSOs, NGOs

- Banks reported significant community investments in 2014 by way of donations to initiatives of Civil Society Organizations (CSOs), NGOs and institutions involved in health, education and culture; for social and environmental improvement including nutrition, health and education in the disadvantaged population segments (Table 9).

Table 9 : Community investment for social & environmental improvement

CSR objective	SoCBs	SDBs	PCBs	FCBs
Banks having community investments by way of donations to CSOs, NGOs or others	4	3	34	7
Education	4	2	27	5
Health	4	2	28	3
Disaster relief	3	2	27	4
Sports	0	0	17	2
Art and Culture	3	0	27	4
Environment	2	0	11	2

- The large majority of banks are seen to have gone for CSR engagements through contributions to CSOs, NGOs active in the respective fields; across the entire sector spectrum for CSR expenditures appearing at Table 9. These include hospitals, schools, various training institutes, IT/computer learning centers etc. run through separate trusts/foundations established by banks.

CSR initiatives undertaken directly by Banks themselves

- Direct involvement of banks in conducting their CSR programs would be seen from table 10 to be substantial. These include grants/donations/scholarships etc. to individuals and other beneficiary institutions. Most of the grants/ donations are one-off, but some programs like scholarship schemes/free medical camp/vaccination program of some banks are continued over the years.

Table 10 : Direct social & environmental interventions

CSR objective	SoCBs	SDBs	PCBs	FCBs
Banks conducting direct social interventions, both as occasional measures or sustainable projects	3	4	31	9
Education	4	3	31	7
Health	4	2	30	3
Disaster relief	3	2	31	7
Sports	0	0	20	2
Art and Culture	3	0	25	4
Environment	2	0	10	3

Reporting of CSR initiatives

- All 5 SoCBs, 1 out of 3 SDBs and all 30 PCBs have reported their CSR initiatives as supplements to usual annual financial reports. New 9 PCBs are yet to regularize CSR activities and thus report in their annual reports.
- 3 SoCBs, 1 SDB and 29 PCBs have reported the CSR activities in separate chapters of their annual reports.
- Most of them have provided details of their programs including expenditure outlays in these reports.
- BRAC Bank Ltd. and HSBC issued a separate report of their CSR activities in 2014.
- 3 SoCBs, 1 SDB and 29 PCBs have included plans in these chapters on CSR activities.
- None of the banks operating in Bangladesh have thus far issued separate reports of their CSR programs and activities in comprehensive standard formats such as the GRI.

F2. Progress in deepening of CSR practices in NBFIs

CSR engagement directly and through donations to CSOs, NGOs

NBFIs reported significant contribution toward community in 2014 directly or by way of donations to initiatives of Civil Society Organizations (CSOs), NGOs and institutions involved in health, education and culture; for social and environmental improvement including nutrition, health and education in the disadvantaged population segments (Table 11).

Table 11 : Contribution toward Community

CSR objective	No. of NBFI
FIs having contribution toward community directly or by way of donations to CSOs, NGOs or others	
Education	9
Health	8
Disaster relief	6
Sports	0
Art and Culture	10
Environment	5
Others	15

CSR initiatives undertaken directly by NBFIs themselves

Direct involvement of NBFIs in conducting their CSR programs would be seen from table 12 to be substantial. These include grants/donations/scholarships etc. to individuals and other beneficiary institutions.

Table 12 : Direct social & environmental interventions

CSR objective	No. of NBFI
FIs conducting direct social interventions, both as occasional measures or sustainable projects	
Education	5
Health	4
Disaster relief	5
Sports	0
Art and Culture	4
Environment	2
Others	5

Environment friendly activities of Financial Sector

Bangladesh Bank has mainstreamed socially responsible corporate ethos and objectives in the financial sector for ingraining environmentally sustainable 'green' financing. All banks and financial institutions have engaged enthusiastically in this thrust initiative. BB has so far identified 47 green products under the refinance scheme with addition of three new products, including garment sector ones. All financial institutions have been directed to allocate at least 5 percent of their loan to green finance by 2016.

Bank/FI's in-house environment friendly activities

Some common In-house environment friendly activities reported by banks/FIs are as follows:

- Use of paper on both sides for internal consumption
- Introduction of e-statement for customers instead of paper statements
- Using more daylight instead of electric light and proper ventilation in lieu of using air conditioning
- Using energy saving bulbs and ensuring maximum utilization of day-light
- Use of Eco Font for printing light impression in both sides of the paper
- Video/Tele conference instead of physical travel
- Efficient use of printer cartridges, photocopy toner, office stationary etc.
- Sharing electronic files, voice mail and e-mail instead of paper memos
- Use of solar energy/Renewable energy sources.

Environment friendly CSR activities of Banks/FIs

- BRAC Bank Limited has organized an environmental awareness program for school students. Saplings are handed over to students as part of the awareness campaign among the students.
- Dhaka Bank Limited handed over 1,000 Flamboyant trees to Dhaka South City Corporation (DSCC). Mutual Trust Bank Ltd. also planted trees at vast areas adjacent to Water Bus Terminal at Gabtoli in Dhaka, in addition to distributing saplings amongst customers at different MTB branches.
- To promote the importance of environment knowledge and raise awareness on climate change among the young students of Bangladesh, a knowledge and activity based program titled 'Junior Climate Champions' has been launched for the second time in Bangladesh by HSBC.
- IDLC has joined hand with LEADS to conduct "Environmental Awareness Campaign" with school children, focusing on issues such as environmental pollution and mitigation measures; responsible resource consumption; adoption of the principles of reduce, reuse and recycle etc.
- IDLC, with support from the CREL Project of Winrock International (an USAID project), has sponsored a homestead tree plantation project in Chittagong Hill Tracts. 3,750 saplings of fruit-bearing trees will be planted across 250 marginal households from 10 villages in the project area.

Green banking/finance activities of Banks/FIs

To promote banks and FIs in financing green and environment friendly ventures, BB has created refinancing windows. Bangladesh Bank is enthusing the banks and financial institutions to a new horizon of Green banking, where 6 green products were offered for refinancing initially. Now 47 green products are open under BB refinancing scheme in 2014. A glimpse of green banking/financing activities undertaken by banks/FIs in 2014 is given below (Table 13).

Table 13 : Summary of Green financing/banking activities of Banks and FIs-2014

Subject	Banks	FIs
Number of banks having Green banking unit	55	29
Number of banks having Green office guide	55	28
Number of environmental risk rated projects	37,373	2468
Number of environmental risk rated projects and financed	30,435	2303
Amount disbursed against rated projects (in million Taka)	1,442,420.70	77,356.29
Number of solar powered branches	413	15
Number of solar powered ATM/SME units	228	0
Online branches (as % of total branches)	54.29%	0.00%
Amount disbursed as green finance (in million Taka)	435,877.09	22,430.56
Direct green finance as % of total funded loan disbursement	0.70%	5.57%
Direct green finance (in million Taka)	38,639.83	10,270.43
Indirect Green Finance (in million Taka)	397,237.26	12,160.13
Amount utilized from climate risk fund (in million Taka)	501.82	103.62
Amount utilized for green marketing, training and development (in million Taka)	169.29	3.95

BB's Initiatives in engaging Financial Sector in CSR Practices

- In FY 2014-15, BB has sanctioned tk 5.13 crore (including interest) from 'Bangladesh Bank Disaster Management & Corporate Social Responsibility fund' for 30 different projects addressing health, education, environment and human resources development/capacity building, financial inclusion, women empowerment etc (Table 1). On 26th February, 2015, cheques have been handed over to 26 projects from BB's own 'Bangladesh Bank Disaster Management & Corporate Social Responsibility fund'.
- A natural cold storage in Chakpara, Boalia of Rajshahi has been inaugurated by BB Governor Dr. Atiur Rahman. This cold storage will run by natural mechanism and will be used for preserving rice, wheat, potato, onion, garlic, chili etc. which are easily perishable. The construction and research cost of this cold storage has been borne by BB CSR fund.
- To stand beside the petrol-bomb victims of the country due to nationwide ongoing restlessness, BB urges the banking community to contribute to Dhaka Medical College Burn & Plastic Surgery Unit. For this reason, BB along with some commercial banks donated Tk. 50.00 lac to Burn unit to establish 3 burn tanks and a 100 bed new unit for treatment of burn victims. BB in FY 2013-14 provided Tk. 50.00 to strengthen the ICU of the unit.
- Commercial banks are asked to establish day-care center for the children of their employees. The establishment and operating cost of such day care center will be treated as CSR expense of the banks.
- In order to bring the financially deprived grass root level people under formal financial services and to gearing up the banking activities of Taka 10 accounts, BB formed revolving refinance fund of Taka 2.0 billion in May 2014. Highest limit of this refinance facility is Taka 50,000.0 and participating banks will be provided interest subsidy under certain conditions.



- On December 22, 2014, Green Banking & CSR Department of BB has issued one comprehensive guideline on expenditure allocations and end use oversight of CSR activities of banks/FIs. The guideline clearly states the administrative setup, budgetary allocation, expected range/coverage of CSR activities and end use monitoring process.

Annexure 1

Direct CSR expenditures reported by Banks

Amount in crore Taka

Name of Bank	2011	2012	2013	2014
Sonali Bank Limited	1.82	2.63	4.91	4.52
Rupali Bank Limited	6.13	0.37	5.24	2.33
Janata Bank Limited	5.70	13.76	42.68	13.84
Agrani Bank Limited	5.71	10.41	0.72	-
Bangladesh Krishi Bank	0.01	0.44	0.42	0.45
Bangladesh Development Bank Limited	0.05	0.44	1.35	1.19
Rajshahi Krishi Unnayan Bank	0.11	0.22	0.36	0.44
BASIC Bank Limited	3.16	3.28	5.58	3.02
Eastern Bank Limited	1.19	2.10	0.61	2.89
Bank Asia Limited	3.34	9.58	20.72	25.05
Dutch Bangla Bank Limited	34.18	52.77	78.54	181.36
IFIC Bank Limited	1.77	4.31	4.87	5.71
Mutual Trust Bank Limited	0.29	1.58	3.83	2.18
Jamuna Bank Limited	5.52	2.90	6.63	6.11
BRAC Bank Limited	3.59	3.60	5.48	4.29
Pubali Bank Limited	7.28	3.55	4.52	7.51
Premier Bank Limited	2.20	6.26	10.42	5.78
Uttara bank Limited	1.41	1.56	6.05	2.35
South East Bank Limited	1.51	1.41	4.82	5.16
NCC Bank Limited	0.85	1.74	4.12	3.33
National Bank Limited	3.68	5.36	15.30	5.88
Trust bank Limited	8.12	13.02	7.64	8.32
Bangladesh Commerce Bank Ltd.	0.37	0.45	0.24	0.14
Mercantile Bank Limited	4.94	8.59	14.35	7.30
Dhaka Bank Limited	3.63	0.97	2.73	6.28
AB Bank Limited	2.98	3.41	3.57	9.97
The City Bank Limited	0.14	0.57	4.38	3.60
Prime Bank Limited	17.21	29.57	25.72	38.20
One Bank Limited	0.44	1.20	3.46	2.56
United Commercial Bank Limited	4.65	4.14	2.89	4.86
Standard Bank Limited	1.18	4.21	8.48	4.83
Social Islami Bank Limited	2.45	5.29	5.32	6.51
First Security Islami Bank Limited	8.09	9.04	12.69	11.96
EXIM Bank Limited	18.09	39.90	39.26	32.46

Islami Bank Bangladesh Limited	41.07	30.91	47.64	52.45
Al-Arafah Islami Bank Limited	2.09	3.13	8.41	1.78
Shahjalal Islami Bank Limited	1.07	7.92	4.70	6.96
ICB Islamic Bank Limited	0.06	0.11	0.05	-
Standard Chartered Bank	7.01	6.32	10.12	6.78
CITI Bank NA	1.27	3.19	2.25	1.68
HSBC	3.18	3.76	13.38	16.00
Habib Bank Limited	0.02	0.22	0.18	0.01
Commercial Bank of Ceylon	0.66	0.15	0.12	0.10
Woori Bank	0.03	0.08	0.25	0.06
Bank Al-Falah Limited	0.28	0.16	0.34	0.22
National Bank of Pakistan	0.04	0.01	0.02	0.03
State Bank of India	0.29	0.09	0.41	0.09
Farmers Bank Limited		0.00	-	0.40
Meghna Bank Limited		0.00	1.00	-
Midland Bank Limited		0.00	-	0.11
South Bangla Agriculture and Commerce Bank Ltd.		0.00	0.10	0.90
Union Bank Limited		0.00	0.05	1.13
NRB Bank Ltd		0.00	-	0.12
Modhumoti Bank Ltd		0.00	0.01	0.25
NRB Global Bank Ltd		0.00	0.14	0.90
N.R.B. Commercial Bank Ltd		0.00	0.12	0.20
Total	218.83	304.67	447.15	510.55

‘-’ = No CSR expenditure

Annexure 2

Direct CSR expenditures reported by NBFIs

Name of NBFi	2012	2013	2014
Agrani SME Financing Company Ltd.	-	-	0.17
Bangladesh Infrastructural Final Fund Ltd.	-	-	0.05
Bangladesh Finance & Investment Co. (BFIC)	0.22	0.06	0.00
Bangladesh Industrial Finance Corp (BIFC)	0.04	0.14	0.32
Bay Leasing	0.02	0.05	0.12
Delta Brack (DBH)	0.01	0.05	0.15
Fareast Finance	0.01	0.08	0.20
FAS Finance & Investment Ltd (Fidelity Asset)	-	0.01	0.02
First Lease Finance & Investment Ltd	-	-	0.21
GSP Finance	-	0.06	0.08
Hajj	0.03	-	-
IDCOL	-	-	0.20
IDLC	0.25	0.36	0.73
IIDFCL	-	-	0.11
Industrial Promotion (IPDC)	0.06	0.21	0.08
International Leasing	-	0.06	0.01
Islamic Finance	0.08	0.13	0.03
Lanka Bangla	0.15	0.38	1.05
Midas	0.02	2.97	-
National Finance	-	-	0.34
National Housing	-	0.05	0.05
People Leasing	0.15	0.28	0.52
Phoenix Finance	0.03	0.19	0.12
Premier Leasing	-	-	0.07
Prime Finance	0.10	0.18	0.33
Reliance	-	0.05	0.27
Soudi bangla (SABINCO)	0.10	0.11	0.17
UAE	0.22	0.12	0.14
Union Capital	0.15	0.12	0.06
United Leasing (ULC)	0.01	0.03	0.18
Uttara Finance	0.01	0.07	0.52
Total	1.67	5.75	6.31

**CSR expenditures as % of after tax profit & CSR expenditures
in Education Sector reported by Banks in 2014**

Name of Bank	CSR Exp. as % of After tax Profit			CSR Exp. In Education Sector as % of Total CSR Exp.		
	2012	2013	2014	2012	2013	2014
Sonali Bank Limited	-	2.58%	0.92%	56.08%	77.92%	40.49%
Rupali Bank Limited	0.28%	57.12%	5.52%	19.87%	39.14%	18.45%
Janata Bank Limited	-	5.64%	3.51%	43.89%	34.18%	8.53%
Agrani Bank Limited	1.56%	0.25%	0.00%	42.75%	0%	0%
Bangladesh Krishi Bank	-	-	-	90.91%	100%	88.89%
Bangladesh Development Bank Limited	0.50%	1.34%	0.83%	6.19%	10.28%	2.68%
Rajshahi Krishi Unnayan Bank	-	-	60.27%	0%	9.19%	2.27%
BASIC Bank Limited	4.63%	-	-0.11%	7.62%	22.70%	6.95%
Eastern Bank Limited	0.91%	0.23%	1.33%	48.73%	4.39%	2.08%
Bank Asia Limited.	10.55%	14.15%	11.79%	46.76%	55.14%	4.63%
Dutch Bangla Bank Limited	22.86%	39.20%	82.38%	62.94%	48.93%	41.42%
IFIC Bank Limited	9.69%	3.57%	4.00%	19.70%	43.75%	39.10%
Mutual Trust Bank Limited	4.73%	6.75%	2.27%	50.36%	28.34%	22.94%
Jamuna Bank Limited	2.52%	5.47%	4.50%	14.13%	79.85%	32.41%
BRAC Bank Limited	8.18%	3.29%	2.21%	59.44%	10.82%	34.76%
Pubali Bank Limited	1.80%	1.62%	2.23%	6.79%	26.01%	8.15%
Premier Bank Limited	7.99%	18.60%	6.57%	46.16%	0.83%	2.42%
Uttara bank Limited	1.31%	4.32%	1.69%	12.18%	0.40%	1.28%
South East Bank Limited	0.93%	1.47%	1.36%	7.09%	38.94%	47.09%
NCC Bank Limited	1.25%	3.48%	2.30%	29.89%	69.04%	7.81%
National Bank Limited	5.08%	7.42%	2.15%	16.68%	3.34%	3.32%
Trust bank Limited	71.23%	17.98%	6.37%	54.22%	9.71%	28.00%
Bangladesh Commerce Bank Ltd.	4.41%	13.86%	4.91%	17.03%	18.99%	0%
Mercantile Bank Limited	6.22%	10.10%	4.73%	16.07%	16.86%	2.60%
Dhaka Bank Limited	2.44%	1.46%	2.92%	0%	87.70%	0%
AB Bank Limited	2.34%	3.73%	6.43%	8.07%	36.28%	14.64%
The City Bank Limited	0.74%	4.78%	1.44%	13.28%	3.37%	5.00%
Prime Bank Limited	11.04%	12.36%	15.53%	16.17%	32.62%	60.73%
One Bank Limited	1.11%	3.05%	1.63%	23.02%	69.41%	55.86%
United Commercial Bank Limited	2.61%	0.94%	1.31%	33.97%	5.20%	7.61%

Name of Bank	CSR Exp. as % of After tax Profit			CSR Exp. In Education Sector as % of Total CSR Exp.		
	2012	2013	2014	2012	2013	2014
Standard Bank Limited	0.90%	3.18%	5.56%	0.85%	11.64%	6.42%
Social Islami Bank Limited	3.48%	3.75%	3.46%	18.44%	7.87%	5.11%
First Security Islami Bank Limited	10.61%	15.12%	17.61%	25.58%	28.70%	13.21%
EXIM Bank Limited	18.70%	19.47%	12.04%	11.45%	18.76%	13.99%
Islami Bank Bangladesh Limited	5.63%	10.14%	10.21%	27.08%	36.36%	30.75%
Al-Arafah Islami Bank Limited	1.38%	4.11%	0.84%	31.95%	12.02%	12.85%
Shahjalal Islami Bank Limited	4.39%	2.89%	-	11.34%	89.89%	23.42%
ICB Islamic Bank Limited	-	-	0.00%	11.38%	0%	0%
Standard Chartered Bank	0.85%	1.21%	0.62%	15.78%	45.64%	26.11%
CITI Bank NA	2.53%	2.72%	1.65%	23.67%	3.00%	25.00%
HSBC	0.65%	2.38%	2.76%	46.81%	32.66%	23.38%
Habib Bank Limited	8.67%	-	5.88%	65.12%	70%	0%
Commercial Bank of Ceylon	0.25%	0.14%	0.11%	43.37%	100%	30.00%
Woori Bank	0.70%	1.15%	0.76%	88.21%	2.13%	19.67%
Bank Al-Falah Limited	-	-	1.03%	69.80%	48.84%	45.45%
National Bank of Pakistan	-	-	-	50.00%	50%	0%
State Bank of India	0.16%	10.49%	0.24%	47.12%	17.99%	22.22%
Farmers Bank Limited		0%	10.36%		0%	57.50%
Meghna Bank Limited		28.49%	0.00%		0%	0%
Midland Bank Limited		0%	2.96%		0%	63.64%
South Bangla Agriculture and Commerce Bank Ltd.		2.16%	14.31%		0%	0%
Union Bank Limited		0.54%	10.22%		1.06%	15.04%
NRB Bank Ltd		0%	-		0%	23.08%
Modhumoti Bank Ltd		0.16%	0.81%		0%	0%
NRB Global Bank Ltd		-	-		0%	0%
N.R.B. Commercial Bank Ltd		5.29%	2.31%		0%	0%
Total	6.82%	6.16%	8.66%	32.29%	28.97%	29.54%

‘-’ = Net loss

Financial Sector Corporate Social Responsibility (CSR) engagements: Indicative Guidelines for expenditure allocations and end use oversight

1. Introduction

Initiated by Bangladesh Bank (BB) in 2008, the CSR mainstreaming campaign in Bangladesh's financial sector has enthused all banks and financial institutions into a broad range of direct and indirect CSR engagements including humanitarian relief and disaster response; widening of advancement opportunities for disadvantaged population segments with support in areas of healthcare, education and training; 'greening' initiatives arresting environmental degradation, and so forth.

Direct and indirect budgetary CSR commitments of banks and financial institutions have increased several-fold since 2008, the already substantial and further increasing levels of financial involvements in CSR engagements have understandably raised concerns about ensuring allocation of the budgetary resources on an arm's length basis, free of insider interests connected to members of the boards and senior managements, as also about proper end use monitoring. The following Indicative Guidelines for allocation and end use monitoring of CSR engagements of the financial sector, drawn up in a consultative process with banks, financial institutions and their CSR stakeholders, are accordingly being issued, effective forthwith. These indicative guidelines are intended to cover only the CSR support initiatives in the communities outside the banks and financial institutions; not those to do with upgrading of working conditions, health and safety measures, gender fairness etc. for own employees that are covered by relevant labor laws and regulations.

BB's Green banking & CSR department and its Offsite and Onsite supervision departments will keep track of adherence of banks and financial institutions to these indicative guidelines, as part of routine assessments of their quality of governance and internal controls.

2. Administrative setup, budgetary allocation process

i) Annual CSR programs in terms of board approved CSR policies of a bank/financial institution will be drawn up and implemented by a dedicated CSR unit set up its head office; or in case of larger programs, by a foundation set up specifically for this purpose. Activities of the dedicated CSR units/ foundations will be under oversight of BB's CSR and supervision departments, besides that of the bank's/financial institution's own internal audit and internal controls.

ii) The dedicated CSR unit/foundation will propose budgetary allocations for CSR programs annually for approval of the board of the bank/financial institution; the board will approve allocations by appropriations from annual post tax net profits. The proposals for board approval must scrupulously avoid any allocation in favor of any entity directly or indirectly connected with directors, senior management members of the bank/financial institution or with the trustees of its CSR foundation.

iii) A bank/financial institution with no post-tax net profit surplus may postpone making fresh CSR program expenditure commitments but should continue honoring previous commitments (like educational scholarship for a student's educational course period etc.). CSR engagements in priority sector lending (like agricultural, SME and green financing) should also remain undiminished scale.

iv) Every bank/financial institution/its foundation shall exercise utmost care in ensuring that the CSR support allocations do not end up aiding of abetting financing of militancy and terrorism. Any suspected event of such abuse of CSR assistance must be reported to law enforcement authorities, stopping the CSR assistance forthwith; failure to do so will attract penal proceedings under AML CFT laws and regulations.

3. Expected range/coverage of allocations for CSR initiatives

BB's DOS Circular No 01 of June 2008 and the subsequent circulars on the subject comprehensively enumerate the expected ranges and areas of CSR engagements of banks and financial institutions in the communities they operate in. Given the current pattern of relative urgencies of needs in diverse areas, broad adherence to the following allocation pattern will be advisable:

i) Education and job focused vocational training being crucial in widening advancement opportunities for the underprivileged population segments, around thirty percent of total CSR expenditure should be (a) for scholarships/stipends for students from low income family in reputed academic and vocational training institutions, and (b) for support towards upgrading of facilities in academic and vocational training institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments. Selection processes for scholarships and stipends should elicit enough information to preclude applicants from drawing benefits from multiple banks/financial institution sources.

ii) Preventive and curative healthcare support assistance for underprivileged population segments comes next in priority, around twenty percent of total CSR expenditure allocation in this area would be appropriate. Support assistances in this area would include direct grants towards costs of curative treatment of individual patients, towards costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments, and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilities for poor households and for floating population in urban areas, and so forth.

iii) The remainder of direct budgetary CSR expenditure allocations should be used in such other areas as emergency disaster relief, promoting adoption of environmentally sustainable output practices and lifestyles, promoting artistic, cultural, literary, sports and recreational facilities for the underprivileged, upgrading facilities and lifesavings equipments in emergency rescue services like the fire brigades etc., infrastructure improvement for disadvantaged communities in remote far flung areas and so forth.

The above outlined indicative allocation guidelines are for direct budgetary CSR expenditures only. Indirect costs associated with promotion of inclusive financing for productive SME initiatives in agriculture, manufacturing and services, and for environmentally beneficial 'green' projects are partly mitigated by such policy supports as concessional refinance lines, with the remainder to be viewed as investment costs of expanding into newer client bases.

4. End use monitoring of CSR expenditure allocations

Every bank/financial institution shall be responsible for monitoring of proper utilization of the CSR support assistances for the intended purposes. In case of CSR assistances to institutions/organizations, it would be advisable for the concerned dedicated CSR units/foundations to get into Memorandums of Understanding (MOUs) with the assistance recipients stipulating phased disbursements commensurate with progress in proper end use. In cases of assistances to individuals, the dedicated CSR unit/foundation should collect and file reports/documents sufficient to ascertain proper end use, withholding the assistance in unsatisfactory cases. Boards of banks/financial institutions should review reports of CSR allocation end use monitoring annually before approving fresh allocations for subsequent years; and all end use monitoring records should be kept available for inspection by internal and external audit and by BB supervision officials.

Annexure 5

Salient CSR activities reported by Banks

Al-Arafah Islami Bank Limited

Education

Al-Arafah Islami Bank Ltd provided financial assistance to construct a school building for mentally and physically challenged children in Sharajganj.

The bank have also provided scholarship worth 17.76 lac Taka to 231 poor and meritorious students of Kurmitola High School under its corporate social responsibility.



Others

The bank gives a Laptop computer to Muallem of Chandpur District Humayon Kabir under its Corporate Social Responsibility.

Bank Asia Limited

Humanitarian & Disaster Management

Bank Asia distributed warm clothes and blankets to the cold hit people of the country's Dinajpur district.



Education

As a part of its corporate social responsibility, Bank Asia has provided higher studies scholarship to 21 (twenty-one) insolvent meritorious students of Mohadevpur Upazila of Naogaon district recently.



BRAC Bank Limited

Humanitarian & Disaster Management

Taramon Bibi Bir Protik, who receives lifetime support from BRAC Bank, distributed warm clothes along with local elites in Kurigram.

The initiative carries the warmth of almost 6,700 employees who have donated warm clothes for the less advantaged people of our country.



Apart from donating warm clothes, the employees also raised funds to buy blankets to help people survive the winter. Every winter, BRAC Bank employees come forward to help humanity as part of for "BRAC Bank DAUR – Kallayaner Pathchala".

Three teams of BRAC Bank distributed 5,700 blankets and 3,000 warm clothes in the Northern districts – Joymuni High school, Bhurungamari, and Shishu Kishore Guchchho Gram Govt. Primary School, Kurigram, Boraibari High School, Gongachora, Rangpur and Chelarong Union Parishad, Thakurgaon.

Health

BRAC Bank Limited has extended support to Society for Education & Care of Hearing Impaired Children of Bangladesh (HICARE) to purchase a Brain Stem Audiometer.



Art & Culture

Moinul Ahsan Saber won the award for his novel 'Akhon Porimol' in poetry and novel category, Mashrur Arefin for his translation work 'Franz Kafka Golpo Somogro' in essay, autobiography, travel story and translation category, and Badrun Nahar for his book 'Brihospatibar' in 'Humayun Ahmed Young Writer' category.



Environment

BRAC Bank Limited has organized an environmental awareness program for school students on the occasion of World Environment Day. Saplings are handed over to students as part of the awareness campaign among the students.



Education

BRAC Bank Limited has extended support for facilitating higher education in nursing at Bangabandhu Sheikh Mujib Medical University (BSMMU).

Dutch Bangla Bank Limited

Health

Under the Smile-Brighter program, Dutch-Bangla Bank organized a 4 day long plastic surgery operation camp at bank's own cost at Center for Rehabilitation of the Paralyzed (CRP), Savar, Dhaka for the poor cleft-lipped boys and girls to bring back the endearing smile on their faces. The four-day operation camp started on November 09, 2014. A total of 34 boys and girls would be operated upon by an eminent plastic surgeon Dr. Sharif Hasan.

Dutch-Bangla Bank donated Tk15.00 crore to Dhaka Ahsania Mission to meet up the cost of 2nd, 3rd and 4th floors measuring a total of 1,02,175 sft the country's biggest cancer hospital - Ahsania Mission Cancer & General Hospital Complex, at Uttara, Dhaka.

The Ahsania Mission Cancer & General Hospital will run on 'no-loss-no-profit basis' aiming at providing the modern quality treatment specially for cancer affected patients where a minimum of 30% of the services will be made available to the poor patients at free of cost.



As a part of social cause activities to serve the distressed humanity, Dutch-Bangla Bank has arranged an operation camp (cataract operation) at free of cost for 100 poor patients at Dhaka Eye Hospital, Mirpur-1, Dhaka under the supervision of Bangladesh National Society for the Blind (BNSB).

Education

In continuation of social cause program Dutch-Bangla Bank awarded scholarship to 5,050 students as the 9th phase who passed S.S.C/ equivalent examination in 2014.

Humanitarian & Disaster Management

Torrential rainfall and rush of water from the upstream caused severe flood for the last few days across the country. Thousands of people of several northern districts particularly in Sirajgonj, Gaibandha, Lalmonirhat, Kurigram etc. are marooned. The flood displaced thousands of people from their homes and caused severe damage to crops.

In order to mitigate the sufferings of the flood-hit people, the Board of Directors of Dutch-Bangla Bank decided to donate Tk. 5.00 (five) crore to the Prime Minister's Relief Fund. Dutch-Bangla Bank handed over 10,000 blankets to Bangladesh Bank for distribution among the cold hit poor people in different parts of the country to reduce their sufferings.

Dhaka Bank Limited

Humanitarian & Disaster Management

Like every year, Dhaka Bank Limited distributed blankets to the poor and distressed communities of the country as a part of its Corporate Social Responsibility this winter.



Health

Dhaka Bank donated 06 units of Split Air Coolers to Khulna Shishu Hospital for newborn babies on November 11, 2014 as a part of its CSR activities. The cooling system as contributed by the Bank is a step forward in boosting hospital infrastructure for the new born babies. The Bank is there in Khulna with the motto that today's child is tomorrow's captain.

Environment

Dhaka Bank Limited handed over 1,000 Flamboyant trees to Dhaka South City Corporation (DSCC) on August 7, 2014 at DSCC Office, Nagar Bhaban. These trees were distributed to DSCC under the CSR initiatives of the Bank.



Eastern Bank Limited

Financial Inclusion

Eastern Bank Ltd (EBL) organized a day-long training program on Scientific Methods of Crop Cultivation and Plant Protection for the farmers at Union Parisad of Mohishasi Bazar, Dhamrai, Dhaka recently.

Participated by around 50 farmers the training program was conducted by Professor Dr. Parimal Kanti Biswas & Professor Dr. Md. Abdul Latif of Sher-e-Bangla Agricultural University. Farmers received theoretical knowledge and practical training on Modern Scientific Methods & Techniques of Crop Cultivation and plant protection for Rice, Maize, Mustard, Banana, Vegetables and other High Value crops. Participants were given away certificates at the end of the programme.



Eastern Bank Ltd (EBL) has distributed agriculture loan to the flowers cultivators of Savar area.

First Security Islami Bank Limited

Education

First Security Islami Bank Limited donated 10,00,000/- (Ten Lac Taka) only for constructing class rooms for Raj Textile Secondary School, Jessore. 70% students of this school is off springs of day labor/underprivileged people of that area.



Health

Health Care Clinic "SHEBA" Jessore Branch of Bangladesh Air Force Women's Welfare Association (BAFWWA) at Jessore was inaugurated by FSIBL. This clinic is built to provide health services to 4th grade office staffs working at Bangladesh Air force.

IFIC Bank Limited

Sports

Living Legend of Cricket Mr. Sachin Tendulkar and IFIC Bank's officials handed over a cheque to authorities of Noapara Govt. Primary School of Rupgonj, Narayanganj on behalf of the Bank.



Art & Culture

IFIC Bank awarded Shahitya Puroshkar (Literary Award) to eminent writers of the country.

Mutual Trust Bank Limited

Education

Mutual Trust Bank Ltd. (MTB) has taken responsibility for bearing all educational expenses up to HSC level for the two sons of late Liacot Ali, who lost his life while trying to save a young lady attacked by miscreants in Uttara, Dhaka. The bank also launched "MTB Bravery Awards" at the event, which has been introduced specially to honour people like Liacot Ali, and who show great courage with a spirit of self-sacrifice to save and protect the lives of other people put on peril.



Environment

Mutual Trust Bank Ltd. (MTB) commemorated World Environment Day 2014 through planting trees at vast areas adjacent to Water Bus Terminal at Gabtoli in Dhaka in 2014, in addition to distributing saplings amongst customers at different MTB branches. "Afforestation is the Future" (Bonayonei Bhubishshot) was the theme for this noble endeavor.



NCC Bank Limited

Health

NCC Bank Foundation decided to donate one crore twenty lac taka to Ahsania Mission Cancer & General Hospital for furnishing 12 Consultation Rooms of the hospital as part of Bank's Corporate Social Responsibility.



Humanitarian & Disaster Management

Maymansing branch distributed relief material to the flood-affected people of Maymansing.



Others

NCC Bank will build a gate named 'Freedom and Democracy' at the Nilkhet entrance of the University of Dhaka at a cost of taka one crore as part of Bank's corporate social responsibility. In this connection, a bi-lateral Memorandum of Understanding (MoU) between NCC Bank Ltd. and Dhaka University Alumni Association (DUAA) was signed recently at a simple ceremony held at the DUAA conference room of the university.

According to the MoU, NCC Bank will give about taka one crore to build a gate at Nilkhet point of Dhaka University which will be 13 feet width, 99 feet in length and 37 feet height. Renowned Architect Rabiul Husain designed the gate which will demonstrate the archeological designs of the Mughal period.

Shahjalal Islami Bank Limited

Humanitarian & Disaster Management

The authority of Shahjalal Islami Bank Limited distributed relief material to help and assist the flood-affected people of Jaykrishna Union of Narayanganj.



Education

Shahjalal Islami Bank Limited awarded scholarship among the brilliant and poor students of the country. The 500 students of different Colleges, Medical Colleges and Universities received the Scholarship for their brilliant result. Each student received onetime taka twenty thousand for SSC level and taka twenty five thousand for HSC level.



Prime Bank Limited

Health

Prime Bank opened a Medical camp at the Biswa Ijtema premises this year. People attending the Ijtema got free health check up and medicines during any emergency.

Prime Bank Eye Hospital, an initiative of Prime Bank Foundation, a concern of Prime Bank Limited has launched free eye care camps in 2014 at the premises of Nabin Chandra Model High School at Kulaura of Moulovibazar and at Sotabondh Sultan Mahmud Adarsha High School premises in Shibpur, Narshingdi. Through this eye camp specialist doctors prescribe and advise people with eye diseases, and provide free medicines & glasses to poor eye patients, operate ultra poor patients for removing cataract and replacing lens free of cost. Out of 966 people present in the camp for check up, 90 were found cataract patients. From them 50 patients will be sent to Prime Bank Eye Hospital in Dhaka for operation. Besides, glasses were distributed to 398 patients free of cost.



South East Bank Limited

Health

NSoutheast Bank Foundation as a part of its Corporate Social Responsibility donated one modern Ambulance to "Feni Porashava" in 2014. This ambulance would enable the Feni Municipality Authority to carry out their health-care services for greater number of people of the locality.



Education

Southeast Bank Limited, under the CSR activities has handed over 6000 school bags valued Tk. 30,00,000 for deprived poor school students of the remote chars of North-Western region of the country.

The City Bank Limited

Art & Culture

City Bank proudly sponsored a solo album of the noted Tagore singer, Rezwana Chowdhury Bannya. The album titled 'Kon Gogoner Tara', was launched by Bank on the occasion of 153rd birth anniversary of Rabindranath Tagore.



Humanitarian & Disaster Management

City Bank has recently distributed food and essential items among 320 flood-affected people in different areas of Kaliahoripur Union Parishad in Sirajgonj District.

Citi Bank N.A.

Financial Inclusion

In 2014, Citi Foundation provided a funding of USD50,000 / BDT3,837,500.00 to ActionAid Bangladesh (AAB) to implement its Enterprise Development through Mobilizing Women's Collective program to improve the access and control of economic resources and public services for rural marginalized women. 770 marginalized women participants in this program have been mobilized into 35 groups from two districts: Gaibandha and Lalmonirhat. The participants are receiving training in home stead gardening, agriculture and providing seeds, training on fisheries, livestock and poultry rearing. Each of the entrepreneurs is also provided basic accounting and business management skills as well as sector-specific technical knowledge.



Art & Culture

Citi Bangladesh continued to promote Bangla music and culture through its annual program "Gaane Gaane Gunijon Songbordhona". In 2014, Citi celebrated the lifetime contributions of renowned artist Syed Abdul Hadi.



Others

Citi launched Citi Microentrepreneurship Awards (CMA) program for the tenth consecutive time to recognize and honor leadership, entrepreneurial skills and best practices of individual microentrepreneurs in Bangladesh. The goal of this award is to promote micro enterprise and increase awareness of the financial service needs of micro entrepreneurs. More importantly, the aim of this initiative is to recognize the success stories of and put the spotlight on

local microentrepreneurs who are helping to lift the economic fortunes of their communities, and bringing more capital into their developing economies.



Jamuna Bank Limited

Education

With the initiative and finance of Jamuna Bank Ltd., the construction work of Jamuna Bank Medical College and Hospital has been started at Khadon, Rupshi, Narayanganj. Jamuna Bank Ltd. handed over a brick machine to Motiur Rahman of Kushaikura village of Sherpur Upazila.



Health

Jamuna Bank Ltd. with the assistance of Dokters Van De Wereld (Mdm, Netherlands) organized a free plastic surgery camp at Munshiganj Sadar General Hospital for cleft lip, cleft lip palate and burn injured patients.



Standard Bank Limited

Education



The bank has donated Tk 3.09 million in the form of scholarship to the poor and talented student during the year 2014. During this year the bank has donated Tk. 3.0 million to Proyash-Ghatail, Tangail, a specialized school for the children with special needs and disability run under the patronization of Bangladesh Army for construction of the school premises.

The bank also donated Tk. 75,000 to the poor students in MEDHA and the blind students under Bangladesh National Society for Blind in Faridpur.

Health

The bank arranged a blood donation program at Uttara.

Others

The bank has donated Tk 1.15 million to Mother Teresa Research Council for purchasing new clothes and food item to be distributed among the destitute leprosy patients for observing Eid.

The bank handed over cheque of Tk 10.00 million to Bangladesh Mohila Samity for construction of their building.



Midland Bank Limited

Education

The bank donated to Proyash, an institute dedicated for persons and children with special needs, as part of their CSR activities.

Standard Chartered Bank

Financial Inclusion

The bank awarded AGROW in five categories- farmers of the year (male, female), innovation in the sector, best associated industry and best agriculture export during 2014 to recognize the heroes of the agricultural sector.



Sports

The bank arranged an exclusive cricket clinic for the children at Gulshan Youth Club Ground in the city. A total of 120 children participated in the meet. Renowned cricketer Shakib Al Hasan joined the cricket clinic and provided valuable tips to them.

Education

Standard Chartered Bank provided scholarships to top students of Department of Development Studies and Department of Economics, Dhaka University. A total of 60 students were awarded this 'Governor Scholarship' this year.



Others

As a medium to encourage and honor effective and innovative corporate social initiatives that are positively impacting the development of our country, the bank awarded three companies this year for their outstanding CSR activities that created jobs, brought education to poor children and spread awareness on nature conservation.



HSBC



children. Volunteers from HSBC and ActionAid distributed the gifts among the children. Senior officials from HSBC and ActionAid were also present at the gift distribution ceremony. HSBC has recently donated a fund to ActionAid Bangladesh. The fund will be utilized to enhance the educational facilities for children living in two homes of ActionAid - Shaplakuri and Happy Homes.

Environment

To promote the importance of environment knowledge and raise awareness on climate change among the young students of Bangladesh, a knowledge and activity based program titled 'Junior Climate Champions' has been launched for the second time in Bangladesh. Students from class Six (VI) to Ten (X) based in Dhaka, Chittagong and Sylhet can participate in 'Junior Climate Champions' programme. 'Junior Climate Champions' is jointly organised by The Daily Star and HSBC Bangladesh. Waste Concern is the knowledge partner of this initiative.

Annexure 6

Salient CSR activities reported by NBFIs

IDLC

Environment

In continuation of the environmental awareness campaign titled 'Our Environment Our Resource' across different schools, IDLC and LEADS jointly organized a 3-day poster and recycle competition and exhibition in 2014, at the Public Library Premises, University of Dhaka.

More than 500 students from 12 leading schools of Dhaka participated in the competition reflecting their learning from the campaign on issues such as environmental pollution and mitigation; efficient resource utilization; and adopting the 3R principle of reduce, reuse and recycle.



IDLC, with support from the CREL Project of Winrock International (an USAID project), has sponsored a home-stead tree plantation project in Chittagong Hill Tracts. 3,750 saplings of fruit-bearing trees will be planted across 250 marginal households from 10 villages in the project area. Dudpukuria Co-management Organization, a voluntary co-managed organization endorsed by the forest department and under the network of CREL Project, is acting as the implementing body for this plantation program.

In addition to this project, another plantation program is currently underway at Trishal, Mymensingh, in partnership with Jatiao Kobi Kazi Nazrul Islam University, and Toru Pallab, a voluntary organization managed by renowned environmentalists in Bangladesh.



Education

IDLC has completed training of the 3rd batch under the skills development project, jointly conducted with Fareast Knitting and Dyeing Industries Limited, ILO Bangladesh, Directorate of Technical Education, Gazipur Technical School and College, and CARE Bangladesh. The 19 trainees of Batch 3 were provided with completion certificates and appointment letters at Fareast as Machine Operators.

Till date, the partners have completed training and arranged employment for 47 women. These women, who had little / no income, are now earning Taka 7,000 Taka 13,000 a month which has significantly improved their social and economic status, allowing them to afford education for their children and contribute to family savings. IDLC has sponsored 15 specially challenged children from SEID Trust for one year. A cheque was handed over to SEID Trust. IDLC has been a regular partner of SEID Trust for the last eight years. Initially IDLC started by sponsoring 3 children and that number has now reached 15. SEID Trust is a voluntary non-government organization working for the rights and social inclusion of underprivileged children with physical and mental disabilities, including autism.

IPDC

Humanitarian & Disaster Management

IPDC handed over blankets, winter clothes and nebulizer machines to Terre des hommes for distribution among the winter effected people of North Bengal.

IPDC handed over a cheque worth Taka 300,000 to ProthomAlo Trust to stand beside the under privileged people of North Bengal during the harsh winter months. The cheque was received by the Editor of ProthomAlo Mr. Matiur Rahman on behalf of the Trust.



International Leasing & Finance Limited

Humanitarian & Disaster Management

ILFSL has donated 300 blankets to Prothom Alo Trust for rehabilitating the victims of cold.



GSP Finance Ltd.

Others

To raise awareness among the local people to use footpath, foot over bridge, to use helmet while driving motorcycle etc., GSP finance has sponsored awareness program on the occasion of Police Week-2014.



Health

GSP finance arranged a free blood donation program on the International Mother Language Day in 2014.

United Finance Ltd.

Humanitarian & Disaster Management

United Finance Ltd. distributed relief among 1500 flood affected families in char lands of Bogra during 2014. It also distributed blankets 3500 pcs blankets among cold hit people of different region of the country this year.



Fareast Finance Ltd.

Humanitarian & Disaster Management

Fareast Finance Ltd. distributed blankets among destitute people during the winter season this year out of their CSR activities.

