



**Sustainable Finance Department
Bangladesh Bank
Head Office**

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



July-September, 2024

Executive Summary

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

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

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

Green Finance by Banks (Period: July-September, 2024)

65849.97 million BDT

Green Finance by Finance Companies (Period: July-September, 2024)

2120.13 million BDT

Sustainable Finance by Banks (Period: July-September, 2024)

1042408.24 million BDT

Sustainable Finance by Finance Companies (Period: July-September, 2024)

16312.75 million BDT

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1. Introduction

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

The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the banking sector not only plays an intermediary role between economic & social development and environmental protection but also promotes environmentally sustainable and socially responsible investment.

Quarterly Review Report on Sustainable Finance has been introduced to address green banking activities as well as covering all the components of sustainable finance under Sustainable Finance Taxonomy. This report reflects a review of Banks and Finance Companies efforts concerning People, Planet and Profit.

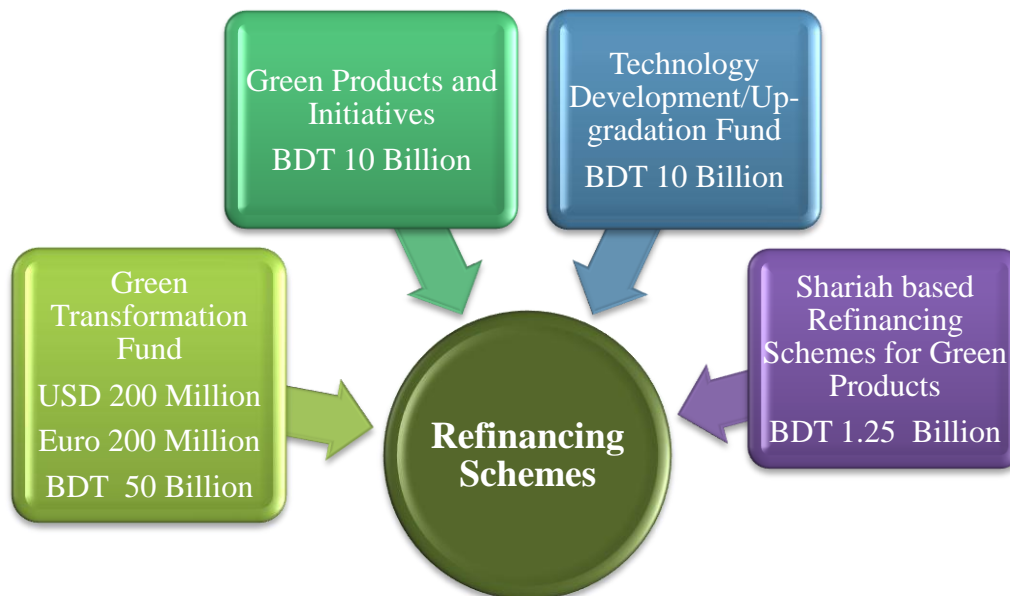
2. Policy Chronology and Refinancing Initiatives of BB

2.1 Policy Chronology:

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

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

2.2 Refinancing Initiatives of BB:



3. At a Glance Sustainable Finance (Period: July-September, 2024)

3.1 Sustainable Finance:

A. Highlights:

Issue	Banks	Finance Companies	Total
Green Finance (in million BDT)	65,849.97	2,120.13	67,970.10
Green Finance as % of Total Term Loan Disbursement	16.83%	11.62%	16.60%
Sustainable Linked Finance (in million BDT)	976,558.26	14,192.62	990,750.88
Sustainable Finance (in million BDT)	1,042,408.24	16,312.75	1,058,720.99
Sustainable Finance as % of Total Loan Disbursement	46.94%	13.50%	45.22%

B. Sector-wise Sustainable Finance:

Sustainable Finance by Banks & Finance Companies (Amount in Million Taka)						
Issue	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable MSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
	1				2	1+2
Banks	54,681.98	132,451.87	33,603.56	755,820.86	65,849.97	1,042,408.24
Finance Companies	572.01	4,184.82	936.50	8,499.28	2,120.13	16,312.75
Total	55,253.99	136,636.69	34,540.06	764,320.14	67,970.10	1,058,720.99

3.2 Number of Borrowers in Sustainable Finance:

A. Sector-wise:

Number of Borrowers in Sustainable Finance by Banks & Finance Companies						
Issue	Sustainable Linked Finance (SLF)				Green Finance	Sustainable Finance
	Sustainable Agriculture	Sustainable CMSME	Sustainable Linked Socially Responsible Financing	Other Sustainable Linked Finance		
	1				2	1+2
Banks	475,045	53,271	476,528	60,218	415,503	1,480,565
Finance Companies	277	634	5604	311	1,183	8,009
Total	475,322	53,905	482,132	60,528	416,686	1,488,574

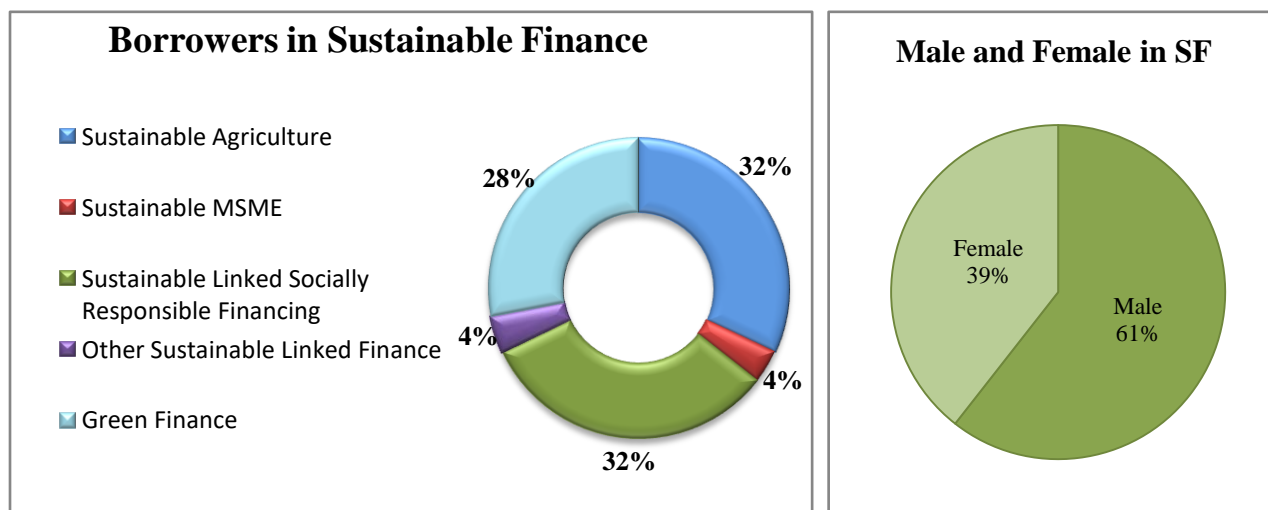
B. Gender-wise:

Number of Borrowers in Sustainable Finance	Male	Female	Total
Banks	8,99,960	5,80,605	14,80,565
Finance Companies	1,694	6,315	8,009
Total	9,01,654	5,86,919	14,88,574

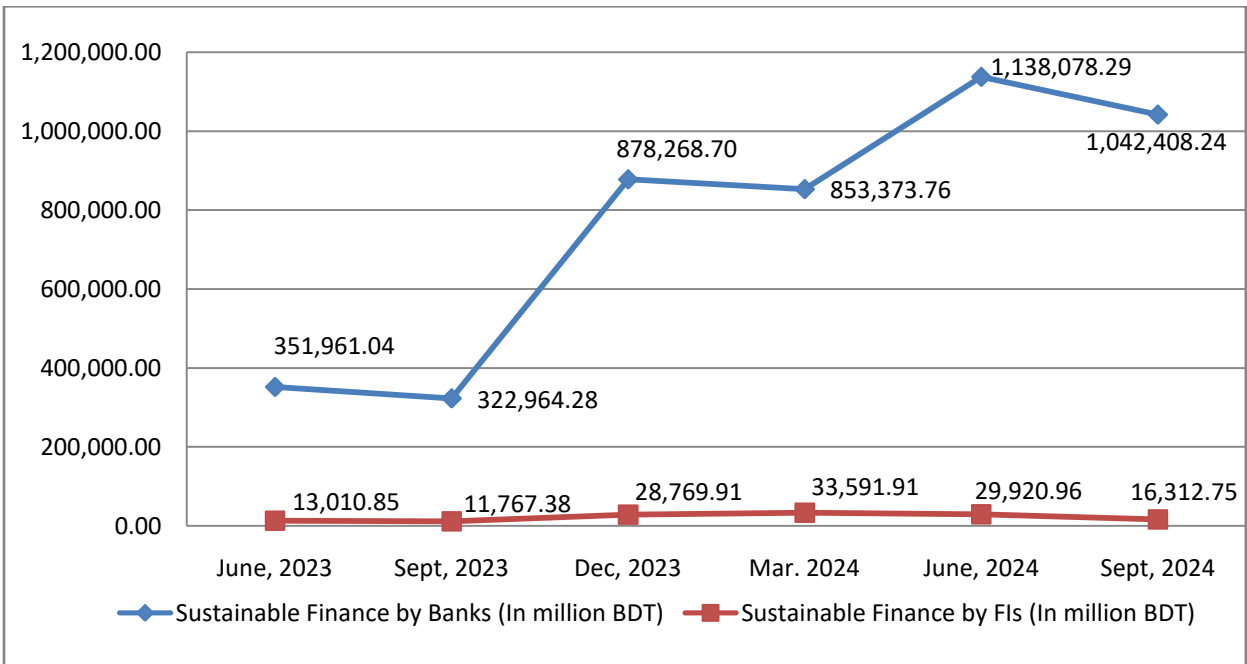
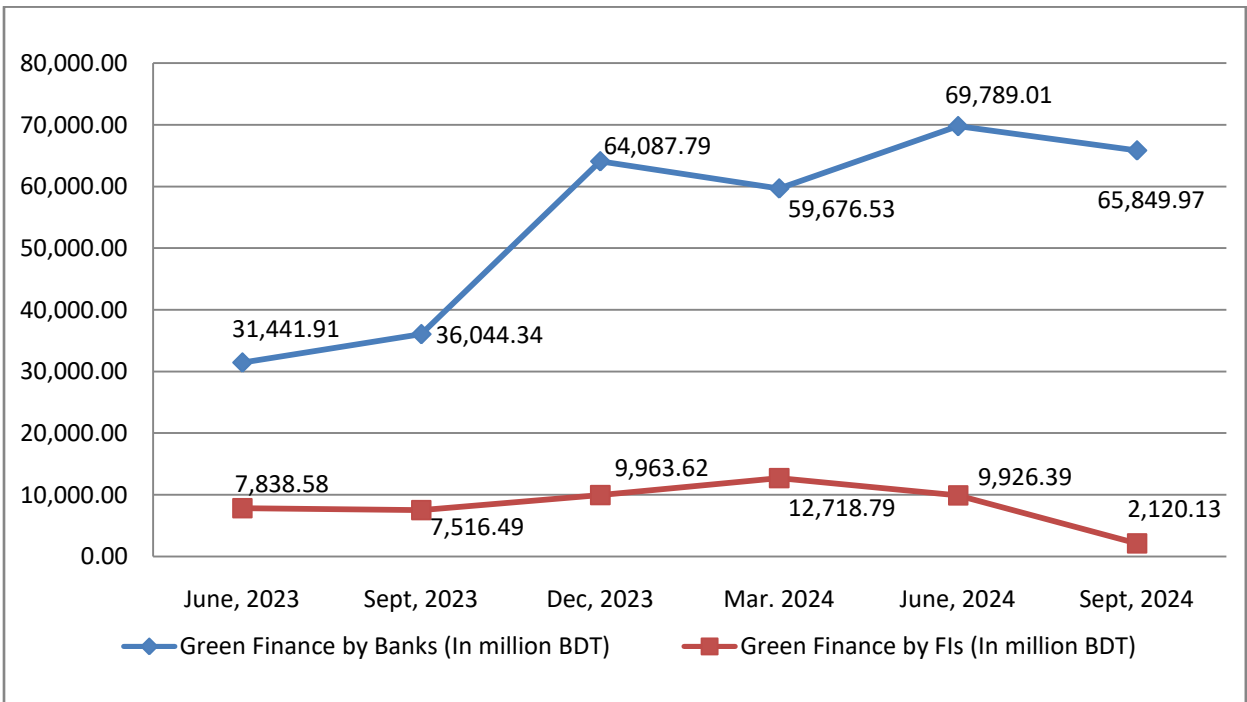
C. Rural-Urban wise:

Number of Borrowers in Sustainable Finance	Rural	Urban	Total
Banks	8,15,365	6,65,200	14,80,565
Finance Companies	6,355	1,654	8,009
Total	8,21,720	6,66,854	14,88,574

D. Graphical Representation of Borrowers in Sustainable Finance as percentage



E. Quarterly Trend of Green Finance & Sustainable Finance



In July-September, 2024 period Banks and Finance Companies total contribution of Green Finance is 67,970.10 million taka which is 11,745.29 million taka lesser than April-June, 2024 period. In July-September, 2024 period Banks and Finance Companies total contribution of Sustainable Finance is 1,058,720.99 million taka which is 109,278.27 million taka lesser than April-June, 2024 period.

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

Issue	2020	2021	2022	2023	2024 (Jan-September)
Green Finance (in million BDT)	1,19,299.26	72,328.50	1,22,264.65	1,93,043.08	2,20,080.82
Green Finance as % of Total Term Loan Disbursement	3.96%	3.06%	4.97%	7.25%	15.22%
Sustainable Linked Finance(in million BDT)	-	7,53,188.24	11,85,357.70	17,80,648.32	2,893,605.10
Sustainable Finance (in million BDT)	-	8,25,516.74	13,07,622.35	19,73,691.40	3,113,685.92
Sustainable Finance as % of Total Loan Disbursement	-	8.04%	11.59%	17.23%	39.20%

3.3 Utilization of Climate Risk Fund:

Total utilization of Climate Risk Fund in the review quarter is 78.67 million taka.

Climate Risk Fund Issue	Number			Amount		
	Banks	FIs	Total	Banks	FCs	Total
Events	26	5	31	11.62	0.90	12.52
Projects	15	6	21	64.91	1.24	66.15
Concessional Loan	0	0	0	0	0	0

3.4 Environmental & Social Risk Management:

Issue	Banks	FCs	Total
Number of Projects Rated	143,544	6,589	150,133
Number of Rated Projects Financed	102,160	6,254	108,414
Amount of Rated Projects Financed (in million BDT)	1,171,353.41	20,863.35	1,192,216.76

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

Issue	Banks	FCs	Total
Number of ATM Booths	10,831	0	10,831
Number of Agent Outlets	21,671	0	21,671
No. of Accounts using Internet Banking	13,663,876	54,845	13,718,721
No. of Accounts using Smart-Phone App-based Banking	28,796,239	53,307	28,849,546
Total number of MFS Accounts	133,445,533	0	133,445,533
Online branches (as % of total branches)	97.21%	32.02%	95.78%

3.6 Leading Banks & FCs achievement in Sustainable Finance & Green Finance¹:

A. Green Finance (Period: July-September, 2024)

Name of the Banks	Target Attainment	Name of the Finance Companies	Target Attainment
NCC Bank PLC	51.91%	Infrastructure Development Company Limited (IDCOL)	100%
Rupali Bank PLC	45.21%	IPDC Finance PLC	50.89%
Pubali Bank PLC	44.88%	Bangladesh Finance Limited	45.00%
Prime Bank PLC	41.46%	The UAE-Bangladesh Investment Co. Ltd	24.56%
NRB Bank PLC	41.46%	Agrani SME Financing Company Ltd	10.42%
City Bank PLC	40.60%	United Finance Ltd	8.78%
The Premier Bank PLC	38.69%	IDLC Finance PLC	8.72%
Shahjalal Islami Bank PLC	37.59%		
Global Islami Bank PLC	36.73%		
Eastern Bank PLC	36.48%		
Jamuna Bank PLC	33.23%		
Al-Arafah Islami Bank PLC	32.19%		
Islami Bank Bangladesh PLC	28.09%		
Union Bank PLC	23.12%		
Mutual Trust Bank PLC	22.55%		
Midland Bank Ltd	22.38%		
United Commercial Bank PLC	21.98%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	21.00%		
AB Bank PLC	20.42%		
BRAC Bank PLC	17.01%		
Social Islami Bank PLC	16.84%		
Bengal Commercial Bank PLC	16.61%		
Bangladesh Development Bank PLC	15.70%		
Bank Asia PLC	15.06%		
Dutch-Bangla Bank PLC	14.05%		
Dhaka Bank PLC	10.74%		
Trust Bank Ltd	9.36%		
Standard Chartered Bank Ltd	8.61%		
Uttara Bank PLC	5.74%		
Mercantile Bank PLC	5.03%		

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

B. Sustainable Finance (Period: July-September, 2024)

Name of the Banks	Target Attainment	Name of the Finance Companies	Target Attainment
BRAC Bank PLC	93.81%	Infrastructure Development Company Limited (IDCOL)	100%
Pubali Bank PLC	93.19%	Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd (SABINCO)	92.75%
City Bank PLC	92.05%	Alliance Finance PLC	92.07%
Jamuna Bank PLC	91.92%	IPDC Finance PLC	85.14%
Eastern Bank PLC	88.76%	Bangladesh Finance Limited	81.35%
Dutch-Bangla Bank PLC	86.02%	United Finance Ltd	68.48%
Prime Bank PLC	85.32%	The UAE-Bangladesh Investment Co. Ltd	63.96%
EXIM Bank PLC	85.25%	Agrani SME Financing Company Ltd	45.32%
United Commercial Bank PLC	83.65%	IDLC Finance PLC	33.47%
NCC Bank PLC	81.54%		
Mutual Trust Bank PLC	80.16%		
Trust Bank Ltd	76.42%		
NRB Bank Ltd	71.34%		
Rajshahi Krishi Unnayan Bank	57.67%		
AB Bank PLC	56.45%		
Bangladeh Krishi Bank	53.90%		
Bank Asia PLC	49.85%		
Dhaka Bank PLC	43.85%		
National Bank PLC	43.16%		
Uttara Bank PLC	41.00%		
State Bank of India	34.39%		
Southeast Bank PLC	33.67%		
The Premier Bank PLC	31.79%		
Standard Chartered Bank Ltd	31.40%		
Habib Bank Ltd	30.06%		
Standard Bank PLC	27.23%		
Al-Arafah Islami Bank PLC	26.98%		
BASIC Bank Ltd	25.48%		
Shahjalal Islami Bank PLC	23.99%		
Rupali Bank PLC	21.95%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	20.63%		

3.7 Leading Banks & FCs achievement in Sustainable Finance & Green Finance²:

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

Name of the Banks	Target Attainment	Name of the Finance Companies	Target Attainment
BRAC Bank PLC	94.75%	Alliance Finance PLC	90.24%
Jamuna Bank PLC	89.04%	Infrastructure Development Co. Ltd	87.44%
Eastern Bank PLC	88.79%	Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd (SABINCO)	77.88%
City Bank PLC	88.65%	IPDC Finance Ltd	76.29%
EXIM Bank PLC	85.21%	United Finance Ltd	73.35%
Prime Bank PLC	81.84%	CVC Finance PLC	71.66%
Mutual Trust Bank PLC	74.99%	Bangladesh Finance Limited	60.03%
United Commercial Bank PLC	68.79%	National Finance Ltd	59.02%
NRB Bank PLC	61.67%	The UAE-Bangladesh Investment Co. Ltd (UBICO)	55.75%
Trust Bank PLC	57.10%	IDLC Finance PLC	41.82%
National Bank PLC	54.79%	Agrani SME Financing Company Ltd	40.93%
Bank Asia PLC	54.15%	Bangladesh Infrastructure Finance Fund Ltd (BIFFL)	29.31%
Bangladeh Krishi Bank	52.10%		
The Premier Bank PLC	51.44%		
State Bank of India	48.99%		
Dutch-Bangla Bank PLC	46.90%		
NCC Bank PLC	44.25%		
Uttara Bank PLC	40.06%		
Al-Arafah Islami Bank PLC	33.11%		
Pubali Bank PLC	32.83%		
Basic Bank PLC	28.48%		
Standard Bank PLC	27.49%		
AB Bank PLC	24.39%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	23.07%		
Standard Chartered Bank	22.56%		
Social Islami Bank PLC	22.18%		
Shahjalal Islami Bank PLC	20.53%		
Dhaka Bank PLC	20.10%		

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

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

Name of the Banks	Target Attainment	Name of the Finance Companies	Target Attainment
State Bank of India	99.34%	Infrastructure Development Co. Ltd	87.44%
United Commercial Bank PLC	42.58%	Bangladesh Finance Limited	51.11%
Prime Bank PLC	37.97%	IPDC Finance Ltd	42.16%
Mutual Trust Bank PLC	37.16%	Bangladesh Infrastructure Finance Fund Ltd (BIFFL)	29.31%
Eastern Bank PLC	36.54%	The UAE-Bangladesh Investment Co. Ltd	19.91%
City Bank PLC	33.57%	IDLC Finance PLC	11.23%
Jamuna Bank PLC	33.40%	Agrani SME Financing Company Ltd	9.48%
Al-Arafah Islami Bank PLC	30.62%	United Finance Ltd	5.93%
Islami Bank Bangladesh PLC	24.10%		
The Premier Bank PLC	23.60%		
Midland Bank PLC	20.89%		
Shahjalal Islami Bank PLC	20.63%		
BRAC Bank PLC	19.66%		
The Hong Kong and Shanghai Banking Corporation. Ltd.	19.65%		
NCC Bank PLC	19.63%		
Global Islami Bank PLC	19.53%		
AB Bank PLC	16.99%		
Rupali Bank PLC	16.77%		
Bank Asia PLC	14.75%		
Shimanto Bank PLC	13.13%		
NRB Bank PLC	13.01%		
Pubali Bank PLC	12.92%		
BASIC Bank Ltd	11.64%		
Bengal Commercial Bank PLC	11.58%		
Dhaka Bank PLC	11.45%		
Union Bank PLC	10.40%		
Social Islami Bank PLC	10.30%		
Uttara Bank PLC	9.07%		
Trust Bank PLC	8.83%		
Standard Chartered Bank Ltd	7.32%		
Dutch-Bangla Bank PLC	5.16%		

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

4.1 Policy Formulation and Governance:

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

4.2 Overview of Sustainable Finance:

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

Type of Bank/FC	Total Loan Disbursed	Total Term Loan Disbursed	Green Finance		Sustainable Finance	
			Disbursed	Outstanding	Disbursed	Outstanding
SOCBs	161084.87	49014.01	2298.62	64856.38	11110.63	233411.58
SCBs	38525.85	3767.55	11.11	196.59	19884.20	287809.66
PCBs	1279924.47	253028.55	52576.58	408572.74	815236.63	3284668.72
FCBs	270840.33	16208.20	1364.82	12658.42	58308.72	112394.43
ISBs	470199.41	69162.66	9598.85	201555.44	137868.05	831942.03
Total	2220574.94	391180.97	65849.97	687839.57	1042408.24	4750226.42
FCs	120889.05	18248.07	2120.13	94129.27	16312.75	186445.89
Grand Total	2341463.99	409429.04	67970.10	781968.84	1058720.99	4936672.31

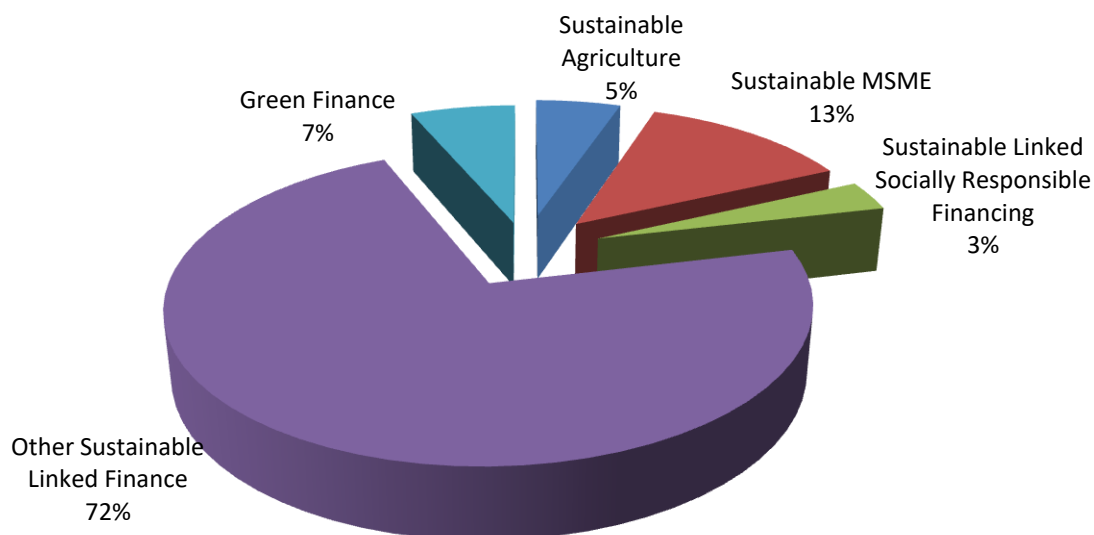
Table-4.2: Recovery and Rescheduling of Sustainable Finance (Period: July-September, 2024)
(In million BDT)

Type of Bank/FC	Green Finance		Sustainable Finance	
	Recovery	Rescheduled	Recovery	Rescheduled
SOCBs	1,582.65	0.00	7,315.07	526.06
SCBs	3.59	0.00	20075.22	0.00
PCBs	31,210.11	3,331.06	512,287.18	12,597.53
FCBs	4,058.42	0.00	61,879.53	0.00
ISBs	9,364.48	354.25	93,821.77	4,663.39
Total	46,219.26	3,685.31	695,378.78	17,786.98
FCs	3,654.96	191.58	19,523.30	723.14
Grand Total	49,874.22	3,876.89	714,902.08	18,510.12

Table-4.3: Sustainable Finance (Period: July-September, 2024) (In million 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	5,468.33	2,937.40	333.50	72.79	2,298.62	11,110.63
SCBs	19,873.09	0.00	0.00	0.00	11.11	19,884.20
PCBs	17,297.26	115,745.96	24,064.67	605,552.16	52,576.58	815,236.63
FCBs	1,077.16	0.00	6,457.10	49,409.64	1,364.82	58,308.72
ISBs	10,966.14	13,768.52	2,748.28	100,786.27	9,598.85	137,868.05
Total	54,681.98	132,451.87	33,603.56	755,820.86	65,849.97	1,042,408.24
FCs	572.01	4,184.82	936.50	8,499.28	2,120.13	16,312.75
Grand Total	55,253.99	136,636.69	34,540.06	764,320.14	67,970.10	1,058,720.99

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



4.3 Green Finance- Category wise:

43 Banks out of 61 and 9 Finance Companies out of 34 have had exposure in green finance in the reporting quarter. Total amount invested as green finance is BDT 65,849.97 million BDT by banks and 2,120.13 million BDT by Finance Companies in July-September, 2024 period. A brief picture of sector wise green finance by Banks and Finance Companies is shown in Table-4.4, 4.5 & 4.6:

Table-4.4: Green Finance (in million 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	6.11	1407.58	0.00	0.00	0.00	90.00	8.00
SCBs	3.70	0.00	0.00	0.00	0.00	0.00	0.00
PCBs	496.39	18,018.38	12.60	377.72	0.00	3,643.62	15.59
FCBs	0.00	781.66	15.00	0.00	0.00	0.00	0.00
ISBs	287.92	3,744.33	0.00	1,041.94	0.00	560.32	644.89
Total	794.11	23,951.95	27.60	1,419.66	0.00	4,293.94	668.48
FCs	192.74	801.16	5.00	0.00	0.00	86.88	0.00
Grand Total	986.85	24,753.11	32.60	1,419.66	0.00	4,380.82	668.48

Table-4.4: Green Finance (in million BDT) - Table Continued							
Type of Bank/FC	Sectors of Green Finance						
	Green/Environment Friendly Establishments	Green Agriculture	Green CMSME	Green Socially Responsible Financing	Blue Economy Financing	Information and Communication Technology	Miscellaneous
SOCBs	0.00	28.61	372.39	381.27	0.00	0.00	4.66
SCBs	0.00	7.41	0.00	0.00	0.00	0.00	0.00
PCBs	11,783.08	1,528.51	894.40	12,714.05	154.72	394.31	2,543.20
FCBs	0.00	0.00	0.00	521.25	0.00	46.92	0.00
ISBs	2,505.52	33.81	21.86	63.28	0.00	8.77	686.21
Total	14,288.60	1,598.35	1,288.65	13,679.85	154.72	450.00	3,234.07
FCs	160.00	32.60	56.32	677.94	0.00	107.50	0.00
Grand Total	14,448.60	1,630.95	1,344.97	14,357.79	154.72	557.50	3,234.07

Table-4.5: Target achievement by Types of Banks and FCs

Type of Bank/FC	Green Finance as % of Total Term Loan Disbursement	Sustainable Finance as % of Total Loan Disbursement
SOCBs	4.69%	6.90%
SCBs	0.29%	51.61%
PCBs	20.78%	63.69%
FCBs	8.42%	21.53%
ISBs	13.88%	29.32%
Total	16.83%	46.94%
FCs	11.62%	13.49%
Grand Total	16.60%	45.22%

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

SI No.	Sector Name	Outstanding (In Million Taka)
1	Renewable Energy	45,108.56
2	Energy & Resource Efficiency	199,759.88
3	Alternative Energy	3,531.64
4	Liquid Waste Management	81,211.99
5	Solid Waste Management	432.02
6	Circular Economy & Eco-Projects Financing	67,127.43
7	Environment Friendly Brick Production	28,560.57
8	Green/Environment Friendly Establishments	185,360.97
9	Green Agriculture	10,018.20
10	Green CMSME	18,651.58
11	Green Socially Responsible Financing	98,678.94
12	Blue Economy Financing	5,261.97
13	Information and Communication Technology	13,275.07
14	Miscellaneous	24,990.02
	Green Finance	781,968.84

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

SI No.	Sector Name	Outstanding (In Million Taka)
1	Sustainable Agriculture	595,358.90
2	Sustainable MSME	689,982.87
3	Sustainable Linked Socially Responsible Financing	153,085.77
4	Other Sustainable Linked Finance	2,716,275.93
5	Green Finance	7,81,968.84
	Sustainable Finance	4,936,672.31

4.4 Compliance Overview of ESRM Framework:

49 banks out of 61 and 15 Finance Companies out of 34 have conducted Environmental and Social Risk Rating in the reporting quarter.

Type of Bank/FC	No. of Projects Rated	No. of Rated Projects Financed	Amount of Rated Projects Financed (in million BDT)
SOCBs	13,231	12,482	6,922.36
SCBs	0	0	0.00
PCBs	87,554	80,392	775,846.23
FCBs	956	1,109	133,022.58
ISBs	41,803	8,177	255,562.25
Total	143,544	102,160	1,171,353.41
FCs	6,589	6,254	20,863.35
Grand Total	150,133	108,414	1,192,216.76

4.5 In-house Green Banking Activities:

Type of Bank/FC	Number of Branches	Number of Online Branches	Number of ATM Booths	Number of Agent Outlets	No. of Accounts using Internet Banking	No. of Accounts using Smart-Phone App-based Banking	Total number of MFS Accounts
SOCBs	3,846	3,846	244	764	7,792,533	460,518	0
SCBs	1,543	1,421	17	0	501,291	498,325	0
PCBs	4,234	4,109	6,829	19,519	3,104,434	22,435,070	131,588,581
FCBs	69	69	102	0	332,933	342,796	0
ISBs	1,685	1,685	3,639	1,388	1,932,685	5,059,530	1,856,952
Total	11,377	11,130	10,831	21,671	13,663,876	28,796,239	133,445,533
FCs	244	82	0	0	54,845	53,307	0
Grand Total	11,621	11,212	10,831	21,671	13,718,721	28,849,546	133,445,533

4.6 Green Investment:

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

4.7 Training, Awareness and Capacity Building:

42 Banks and 9 Finance Companies have arranged training & awareness programs concerning Sustainable Financing activities. A snapshot on training (Period: July-September, 2024) is given below:

Type of Bank/FC	No. of Programs Organized	No. of Employees Trained	No. of Customers Trained
SOCBs	83	3055	0
SCBs	2	150	250
PCBs	585	16686	3790
FCBs	39	366	41
ISBs	72	1287	11
Total	781	21544	4092
FCs	87	327	417
Grand Total	868	21871	4509

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

Table-5.1: At a glance Refinance Schemes of BB for Green Finance (Period: July-September, 2024)

Refinance schemes of BB	Amount	Number of Project
Disbursement from Refinance Scheme for Environment Friendly Projects/Products/Initiatives (in million BDT)	1,442.48	12
Disbursement from Refinance Scheme for Islamic Banks & Financial Institutions for Investment in Green Products/Initiatives (In million BDT)	-	-
Disbursement from Green Transformation Fund (GTF) (In million USD)	-	-
Disbursement from Green Transformation Fund (GTF) (In million Euro)	-	-
Disbursement from Green Transformation Fund (GTF) (In million BDT)	2,365.11	08
Disbursement from Technology Development/Up-gradation Fund (TDF) (In million BDT)	2,738.56	11

5.1 Refinance Scheme for Environment Friendly Projects/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 fund size has been increased from BDT 2 billion to BDT 4 billion in view of the growing demand for financing of environment friendly products/initiatives³. The product line has been enhanced to 70 under 11 categories and the fund size has been further increased to 10 billion in 2023. Since

³ SFD Circular 02/2020

inception, total amount of BDT 11,661.50 million has been disbursed as refinance facility as on 30 September, 2024. The disbursement scenario of this scheme during July-September, 2024 quarter is furnished below:

Table-5.2: Sub-category/ Product wise Disbursement		
SL. No	Sub-category/ Product	BDT in million
1	Compressed Block-Brick	43.50
2	Establishment of Certified Green Building	1000.00
3	Establishment/Installation of 'Green Featuring' in the Buildings/Industries	80.85
4	Financing in Cottage Industry	1.60
5	Installation of Energy Auditor Certified machineries including boiler in industries	61.30
6	Jute Products Manufacturing Industry	0.20
7	Net Metering Rooftop Solar System	26.40
8	Production of Vermicompost	3.32
9	Safety and work environment of factory related projects	219.94
10	Small size biogas plants - 1.2, 1.6, 2.0, 2.4, 3.2 and 4.8 cubic meter gas production per day.	4.43
11	Solar Home System	0.44
12	Solar Irrigation Pumping System	0.50
	Total	1442.48

5.2 Refinance Scheme for Islamic Banks & Financial Companies for Investment in Green Products/Initiatives:

Bangladesh Bank has introduced refinance scheme funded by excess liquidity of shariah based 3 finance companies to facilitate financial support to other shariah based Banks and Finance Companies in 2014⁴. In 2018 Bangladesh Bank has issued an integrated and comprehensive “master circular”⁵ by revising and incorporating all the existing circular and circular letters related to this refinance scheme. BB has enhanced the product range under this scheme to 51 and segregated these products into 08 categories.

5.3 Green Transformation Fund (GTF):

In January 2016, a 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 country⁶. To widen the scope of this fund, it has been opened for all manufacturer-exporters irrespective of sectors against import of capital machinery and accessories for implementing specified green/environment-friendly initiatives since

⁴ GBCSRD circular no. 06 /2014

⁵ SFD Circular No.02/2018

⁶ FE Circular No. 02/2016

September, 2019⁷. Later, 200 million Euros has been added to the fund⁸. 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 purpose⁹. The disbursement from this Fund is BDT 11,706.63 million to 43 clients of 16 banks till 30 September, 2024. In July-September, 2024 quarter BDT 2,365.11 million has been disbursed to 8 clients of 5 banks from GTF fund in local currency.

5.4 Technology Development/Up-gradation Fund

Refinance Fund for Technology Development/Up-gradation of BDT 10 (Ten) billion offers refinance facility for the modernization and technological development/up-gradation of export oriented industries in Bangladesh¹⁰. So far 35 industrial sectors mentioned in Export Policy 2021-2024 under 11 initiatives/categories are included in the fund. The fund has been circulated for banks and Finance Companies through the SFD Circular No-02 dated 17 January 2021 and SFD Circular letter No-01 dated 08 June 2023. 29 Banks & 9 Finance Companies are covenanted with Sustainable Finance Department for this fund. The disbursement from this Fund is Tk. 8,877.73 million till 30 September, 2024. In July-September, 2024 quarter disbursement from this fund is Tk. 2,738.56 million in 11 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. During the quarter under consideration, after introducing the policy, followings are the outcome:

- During July - September, 2024 quarter 30 Banks and 07 Finance Companies have surpassed the target of green finance (5%) compared to the total term loan disbursement, while the number was 29 Banks and 10 Finance Companies in previous quarter (April-June, 2024).
- Moreover, during the reporting quarter 31 banks and 09 Finance Companies have been able to fulfill their target (20%) of sustainable finance compared to the total loan disbursement, while in previous quarter (April-June, 2024) the number was 28 banks and 13 Finance Companies.

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

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.

Preserve nature & reduce pollution



for the sustainability of human race.....