

**Government of the People's Republic of Bangladesh**  
**Ministry of Finance**  
**Economic Relations Division**  
**ADB-4 Section**  
**Sher-e-Bangla Nagar, Dhaka 1207**  
**[www.erd.gov.bd](http://www.erd.gov.bd)**

**PRESS RELEASE**

*Dhaka, 20 June 2025* – the Government of Bangladesh and Asian Development Bank (ADB) today signed four loan agreements totaling USD 1.304 billion. These partnerships will modernize critical infrastructure, strengthen financial systems, and accelerate the nation's climate resilience efforts. Mr. Md. Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), Ministry of Finance and Mr. Hoe Yun Jeong, Country Director, Bangladesh Resident Mission, ADB signed the Loan agreements on behalf of the GoB and ADB respectively. Senior officials of the Government of Bangladesh and ADB were present during the loan signing ceremony.

The newly signed loan agreements will deliver tangible improvements across key sectors:

**Banking sector reforms worth USD 500 million budget support** will fortify financial stability through structural improvements for ensuring stronger credit systems to fuel economic growth. 'Stabilizing and Reforming the Banking Sector Program-Subprogram 1' was developed by the Finance Division as part of bringing policy reforms in Bangladesh's banking sector. The program will be implemented by the Finance Division, Bangladesh Bank and Financial Institutions Division. The program has two major policy reform areas such as (i) maintaining financial sector's stability and resilience amidst ongoing economic challenges and (ii) implementing structural reforms to ensure that Banks are well positioned to provide credit for economic growth. It is repayable in 15 years, including a 3-year grace period with an interest rate of SOFR + 0.5%.

A **USD 400 million budget support** will reduce vulnerability to climate shocks through 'Climate Resilient Inclusive Development Program-Subprogram 2'. The program will be implemented by the Finance Division, Programming Division-Planning Commission, Bangladesh Bank, Ministry of Water Resources, Power Division, Road Transport and Highways Division, Ministry of Disaster Management and Relief, Ministry of Railways, Planning Division, Local Government Division, Ministry of Environment, Forest and Climate Change and Ministry of Agriculture. The major policy reform areas under the program are (i) facilitating a sustainable and climate-focused development pathway, (ii) strengthening resilience and reducing risk and vulnerability to the adverse climate change impacts and (iii) mitigating greenhouse gas emissions and transitioning to a low-carbon economy. It is repayable in 25 years, including a 5-year grace period with an interest rate of 2%.



A **USD 204 Million for tranche 4 of SASEC North West corridor Phase 2** will be utilized to improve the regional connectivity along Elenga-Hatikumrul-Rangpur road. With this 4<sup>th</sup> tranche loan, ADB's total investment in the corridor will be USD 1.2 billion since 2017. This project is being implemented by Roads & Highways Department under the overall supervision of Road Transport and Highways Division. The loan is repayable in 25 years including a 5-year grace period with an interest rate of SOFR + 0.5% .

A **USD 200 million energy modernization program** will revolutionize Bangladesh's power grid through nine upgraded substations and 141 km of new transmission lines, while creating pathways for renewable energy integration from Southern Chattogram. Power Grid Bangladesh PLC will implement this 'Power Transmission Strengthening and Integration of Renewable Energy Project' upto June 2030. The loan, signed under the ADB's Ordinary Operations, is aimed at improving the quality, reliability, and efficiency of Bangladesh's power supply system. Key components of the project are (i) modernizing power infrastructure, (ii) renewable energy integration and (iii) institutional capacity building. The loan carries a 25-year repayment period with a 5-year grace period and an annual interest rate based on SOFR + 0.5% .

ADB, one of the largest multilateral development partners of Bangladesh, has been extending assistance to the country since it became a member in 1973. As of now, ADB has extended a total of US\$ 33.801 billion in loans and US\$ 571.2 million in grants. Development assistance of ADB mainly focuses on power, energy, local government, transport, education, agriculture, health, water resources, governance and financial sectors of Bangladesh.

*Umme Rumana*  
20.06.25

Umme Rumana Tua  
Senior Assistant Secretary  
Economic Relations Division