Thesis

on

“Evaluation of Green Banking in Bangladesh”

Submitted To:

Department of Business Administration

Sonargaon University

Supervised By: Dr.Md. Masud Rana

Associate Professor

Submitted By:

Md. Nabuatt Hossen

ID: EMBA2301028019

Program: EMBA (Major in HRM)

Department of Business Administration

Sonargaon University

Date of Submission: 05 May 2024



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To
Dr. Md. Masud Rana
Associate Professor
Department of Business Administration
Sonargaon University
Dhaka, Bangladesh

Through: Dr. Md. Masud Rana, Thesis Supervisor.

Subject: Submission of Thesis Paper on **"Evaluation of Green Banking in Bangladesh."**

Dear Sir,

It is my pleasure to submit herewith my dissertation, which has been prepared under the sound and dynamic leadership of a personality like you.

This thesis report is an integral part of my academic program in completion of the degree named Master of Business Administration, which has assigned me **"Evaluation of Green Banking in Bangladesh"** as a part of the EMBA Program. I have tried my level best to collect the relative information as comprehensively as possible in preparing the study. During the preparation of the study, I have experienced practically a lot that will help me great in my career. It has enlightened my practical knowledge regarding the present credit rating system. I will be able to explain anything for more clarification if necessary.

I would like to thank you for allowing me to study on the above-mentioned topic.

Yours Sincerely,

Acknowledgement

It was a great pleasure to prepare a thesis paper on **"Evaluation of Green Banking in Bangladesh"**. First of all, I would like to pay homage and the deepest gratitude to Almighty Allah for showing His unlimited kindness and giving all the courage. Then I would like to express my deep sense of gratitude to my honorable research supervisor Dr. Md Masud Rana. Associate Professor, Department of Business Administration, Sonargaon university, for his valuable guidance, assistance and encouragement throughout the thesis program. The time and energy he generously offered to assist me were crucial to the establishment and development of this research and I thank him for his direction and patience. It has been my pleasure and honor to have worked with such a well-learned person.

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In conclusion, I would like to extend my sincere thankfulness to all of them around me, whoever has helped me out of their capability. I believe that this experience will allow me to furnish some good work in the future in light of these and, therefore, to be of benefit to mankind.

Certification of Supervisor

05 May 2022

This is to certify that, Md. Nabuatt Hossen, Student ID: EMBA2301028019, student of EMBA Program, completed the thesis on **"Evaluation of Green Banking in Bangladesh"** as partial fulfillment of the requirement of Executive Master of Business Administration (EMBA) degree from the Department of Business Administration, Sonargaon University, Dhaka, Bangladesh.

This document was written under my supervision and serves as a record of the work that was completed satisfactorily. I wish him success in his endeavor.

_____

Dr. Md. Masud Rana
Associate Professor
Department of Business Administration
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Dhaka, Bangladesh.

Student Declaration

I, the undersigned, hereby inform that solemnly declare that the work presented in this thesis paper submitted for the partial fulfillment of the requirement for the degree of Executive Master of Business Administration (EMBA). It is a record of original and independent research work done by me under the supervision of Dr. Md. Masud Rana, Associate Professor, Department of Business Administration has been carried out by me and has not been previously submitted to any other University /college/organization for an academic Qualification/certificate/diploma or degree. The work I have presented does not breach any existing copyright and no portion of this thesis is copied from any work done earlier for a degree or otherwise.

_____

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Abstract

Bangladesh is a country of Asia continent. It is situated in Southern part of this continent. This country got independence in 1971. Bangladesh Bank is the central bank of this country from 1971. This bank is contributing in many ways to develop the financial sectors of this country including local and foreign commercial Banks. In the past, all the banking activities were performed manually by using paper. At present, most of the banks are trying to use less paper or no paper by implementing technological issues like establishing ATM and CRM booths, introducing online banking, using natural resources like solar panel, providing loan to environment friendly projects. It is called Green Banking practicing in banking sector. In this thesis report, all the aspects of green banking have been discussed. As one of the least developed countries, Bangladesh is the worst sufferer of world environmental pollution. Under such extreme environmental threat, the financial sector of Bangladesh is playing a key role as one of the important stakeholders of the economy enforcing the businessmen of the country to design their various action plans keeping the crucial environmental issues. In this study, it is tried to evaluate both the commercial activities of the banks as well as its social responsibility which help to save the natural elements. In this evaluation, the objectives of green banking of different banks have been discussed. Also, statistical analysis has been shown of few sample banks.

Keywords: Green banking, social responsibility, environment, Bangladesh Bank policy.

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Introduction

1.1 Background of the Study:

The Earth is the only livable planet for human being in the solar system as well as in the whole universe as far we know. It has been possible only for natural elements like forests, air, water, birds, and different types of animals. Due to industrialization, over population, using chemical fertilizers for growing more crops, our livable earth is being unlivable day by day. Now a days, world is worming gradually. As a result, ice is melting in the South Pole, forest is burning due to fire and fertile land is becoming desert. Due to industrialization and motorized vehicles and smoke emitting, air is polluting highly. For peaceful living of human being and other animals, it is badly needed to control such type of problems. For reducing such type of problems, banks have inaugurated green banking activities. The word "Green Banking" is very common concept in the world now a days. Global warming is a great issue in protection of hygienic society. There is high possibility of playing significant role of Green Banking in the global warming issue. The green banking concept is developed in western countries and now is practiced in most of the countries in the world including Bangladesh. It indicates sanctioning environment-friendly practices and reducing carbon footprint from banking activities. Green banking is not just a corporate social responsibility activity; it is all about going beyond to keep the world livable without any significant damage. Green banking that considers all the social and environmental factors. So, it is also called ethical banking. The main purpose of green Banking is to ensure the use of organizational resources in favor of the environment and society. **Green banking as a concept is proactive and smart way of thinking with a vision for future sustainability of our only Space shuttle earth. (Richard Buckminster Fuller, 16 November 2012).** It evaluates all the factors before giving the loan whether the project is environment-friendly and has any implication on the future people and planet. Green finance as a branch of green banking makes significant contribution to the transition to resource efficient and low carbon industries i.e., green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to put aside

environment. Green banking or ethically responsible banks do not only advance their own initiatives but also affect socially responsible behavior of other business.

In our country, some private commercial banks, state-own commercial banks, state-own specialized development banks, public commercial banks and foreign commercial banks are in operation in to see whether they adopted green banking policy guided by Bangladesh Bank (BB).

1.2 Objectives of the Study:

1.2.1 Primary Objectives of the study:

To understand the evaluation of Green Banking and current practices in Bangladesh.

To evaluate both the commercial **objectives** of the banks as well as its social responsibility which help to save the natural elements.

1.2.2 Secondary Objectives of the study:

To analyze the green banking practices in Bangladesh, justify the forecasts of green banking practices in Bangladesh, provide some suggestions in this regards.

1.3 Scope of the Study: Banks in Bangladesh have started various green banking initiatives. These initiatives bring easiness to the customers and help the banks in reducing their cost of services. It is not possible to evaluate green banking initiatives taken by all the banks in Bangladesh. Hence, the scope of the study will be limited to analyze the green banking initiatives taken by some state won, private and foreign banks in Bangladesh. The study will evaluate all the aspects of green banking.

1.4 Limitations of the Study: There are some limitations in the study. The data has been collected through company's corporate financial reports, daily newspapers, different journals & articles, bank's websites, Bangladesh bank's websites and other sources. The data are analyzed in aspect of practices and problems of green banking. Actually, we did not interview of company executives for conducting the study. The major limitation of the study is that very few primary data is involved in the study.

1.5 <u>Origin of the Study</u>: As a required portion of the MBA (Executive) Program, all the students of Accounting & Information System, Jahangirnagar University, who have completed all the courses, need to finish this thesis program. According to the part of the thesis course of the MBA (Executive) program, I was tasked to prepare a thesis on **"Evaluation of Green Banking in Bangladesh"**, which was accomplished under the guidance of Mr. Mahade Hasan, Lecturer, Department of Accounting & Information System, Faculty of Business Studies, Jahangirnagar University. This study is an attempt to show an overall condition and different aspects of green banking practicing in Bangladesh.



1. 6 Structure of the Study:

Chapters' Summary:

CHAPTER-1	**Introduction**	**Background of the Study, Objectives of the Study, Scope of the Study, Limitations of the Study, Origin of the study and Structure of the Study.**
CHAPTER-2	**Literature Review**	**Introduction, Literature Review**
CHAPTER-3	**Methodology**	**Introduction, Study Design, Data Collection Procedure**
CHAPTER-4	**Theoretical Review**	**Definition of Bank, The present banking sector in Bangladesh, Green Banking, History of Green Banking in Bangladesh, Bangladesh Bank Policy Guideline for Green Banking, Steps in Green Banking, Commercial Banks' Green Banking Initiatives, Commercial Banks' Green Banking Activities, Comparative Analysis, In-house actions of Bangladesh Bank, Top ten banks in Green Banking Initiatives, Green Banking Stake Holders, Major challenges for Green Banking, Green Banking Slogans, Statistical Analysis, Green Marketing awareness development and supporting green event, Achievement of Green Banking in Bangladesh, Present situation of Green Banking in Bangladesh, May Green Banking be popular to the green (Young people).**
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Table-1.1: Structure of the Study

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Literature Review

The term “Green Banking” is popular worldwide now-a-days. It is for stopping the environmental deficiency and making this planet inhabitable. The concept of Green Banking was established in the western countries. Green banking is a general term, which can cover a multitude of areas from a bank being naturally friendly to how and also where their money is invested. Though Green Banking is popular, several literatures and studies have been found concerning ‘Green Banking’ in USA, Europe, China, India and Bangladesh from 2000. Among them, some popular studies have been reviewed and explained here to support this paper and make the paper literally viable and sound.

At first, I would like to explore the evolution of Green Banking. In 2003, the Equator Principles (EPs) were launched and initially adopted by some leading global banks, such as Citigroup Inc., The Royal Bank of Scotland, Westpac Banking Corporation. In Bangladesh, Standard Chartered, HSBC, Dutch Bangla Bank, Brac bank, City Bank etc are pioneer of green banking. EPs (2006) defined green banking as “A set of voluntary standards for determining, assessing and managing social and environmental risk in project financing”. EPs evaluated green banking as a voluntary work. So, serve the people is the motto of green banking.

Jha & Bhome **(2013)** in their paper entitled: ‘A Study of Green Banking Trends in India’, studied the green banking initiatives taken by the public sector bank in India and the way of go green by green banking. The main objective of the paper is to know green banking sector and checks the awareness of employees, associates and the public about the green banking concept. Further the study suggested that interest on loan should be less for green project then normal rate of interest and companies can increase their profitability by recycling of waste generated. They should stress upon green mortgage loan, green credit card and online banking. According to this study, stress should be given to increase public awareness so that people are habituated to use green banking. Also, less interest will be imposed on green project like establishing solar panel, biogas plant, purchasing hybrid vehicles etc.

Singhal & Arya (June 2014) in their paper entitled Green Banking: An Overview studied, how bank can go greener. According to study banking industries and financial institution plays a very important role in the growth of an earth. Green banking saves the energy and environment both. Now a days, many banks offering green products like ATM, CRM, Green c0redit cards, green CDs, electronic fund transfer, use of solar and wind energy etc. But still it is not completed. We have to make more efforts so we can save environment and green banking is one of the best way to start this. The study of Singhal & Arya has given priority on using banking equipment which help to save our environment. They also believe that green banking can play an important role to improve our environment. They mentioned green banking practice has been started, it has to go to a long way. In near future, green banking will be one of the best ways to save our environment and natural resources.

Khedekar (2014**)** in her research entitled: Banking with Technology- Green Banking studied the various technology used by the banking industries to make the environment green. According to this study bank should provide basic and premium internet banking products. This Study suggests that bank should conduct seminar and conference to educate the public regarding the uses of internet banking as well as security issue. She suggests "Virtual Banking" where customers can't deal in cash to those branches which are far from the main branch".According to Khedekar study, all the banks should have basic and premium internet banking products like debit cards, online money transferring facility (like Bkasah, Nagad, Rocket etc). She also mentioned green banking correspondingly safer than traditional banking because in green banking carrying paper currency is less than traditional banking.

Getzner and Krauter (2004) in their research paper tested the respondents' willingness to invest in green shares. Authors found education, income, environmental awareness and the expected profit are the main explanatory variables.

Sharma, Gopal et al. (2014) attempt to study the level of consumer awareness of Green Banking initiative in India with special reference to Mumbai.

From the primary survey they conducted they find that surprisingly even those people who are using online facilities provided by their banks nearly three fourth of them are unaware of the term Green Banking.

They find that among those who are aware of Green Banking term consider it mainly related to online bill payment and cash deposit system. Other Green Banking aspects like Green CDs , solar powered ATM, bonds for environment protection are among few of which consumers are not aware of. They also attempt to analyze the gender based difference in awareness of green initiatives by bank specially E-Statements, Net Banking and Green loans. Using Chi-Square test for hypothesis testing they arrive at a result that both males and females have the same level of awareness with respect to Green Banking. The researcher's state that the major obstacle in Green Banking is the technical issues involved followed by lack of education. The study mentioned some important factors like gender issue, lack of education etc. In traditional banking, women faces some obstacle in banking. Women don't like to wait in a long queue. Some women don't like to take banking services from male. In green banking facilities, there is no such type of barriers. This study also mentioned about lack of education. For taking green banking facilities basic knowledge of information technology is needed.

Jaggi (2014) studies the initiative by SBI and ICICI on Green Banking. SBI has introduced a Green Channel Counter, no queue banking, enhanced commitment towards achieving carbon neutrality, online money transfer, wind farms. Green Products and Services initiative of ICICI Bank includes event meetings, media and websites. A proper formulated green policy guideline is needed for effective Green Banking. In India, SBI and ICICI play important roles to enhance green banking opportunities. As a result, the popularity of green banking is increasing day by day. In India, most of the people don't use paper currencies. They purchase and pay bills by using Gpay, Amazon pay, Bhim, Paytm, PhonePe, Kotak etc.

Sahoo and Nayak (2008) explore the relevance of Green Banking and site international experience in this respect. The researchers find that there have not been many initiatives by banks in India and thus policy measures are needed to promote Green Banking in India.

The researchers reveal that none of the Indian banks have adopted equator principle and none of them is signatory to UNEP financial initiative statement. Indian banks should use environmental criteria for funding projects.

Husain (2015) described that it has been justified that the adoption of green banking is basically a cultural shift within a bank and is, by definition, supposed to affect all aspects of doing businesses.

Silva (2015) explained that organizational activities and outcomes which are harmful to environment have negative effects on the biodiversity and ecosystem integrity of nature. Being corporate citizens, banks have a vital corporate social responsibility to uphold green initiatives and remain "green".

Narang (2015), "Green banking can be defined as any form of banking which creates environmental benefits.

According to Lalon (2015), the concept of green banking has been developed by western countries and initially the concept was aimed at minimizing the paper use at banking since cutting trees cause to reduce green forestation, reduce oxygen and increase carbon-dioxide in globe. This study directly emphasized on using paper for banking. Due to use of paper, every year many trees are cut down. It creates deforestation. As a result, world climate is changing. The world is worming day by day. So, ice burg in the South Pole is melting and sea level is increasing. For these reasons, some countries will go under sea water. The people of that countries will be climate refugees. Land area of such countries are decreasing day by day like Maldives, Kiribati, Tuvalu, and Nauru also some Caribbean Islands etc.

According to Sindhu (2015) now the concept has become an umbrella term where it refers practices and guidelines which makes bank's sustainability in economic, environmental and social dimensions.

Malliga (2016) has stated that green banking is an emerging concept for environment sustainability which promotes environment friendly practices for sustainable growth and reduces the carbon footprint from the banking industry.

Simultaneously several studies highlighted the importance of green banking and its impact on sustainable growth while considering mostly on environmental management for future generations. As human being, we should think our future generations. So, we should contribute to make a green world so that our beloved generations can take a fresh breath, they can stay on their own land.

Annual Report of Bank of Ceylon, (2015) says that "Our entire research and development focus has now transformed. Through transformation process and the infusion of diverse technology platforms, our products and services are moving towards reducing carbon footprint by developing products that use technology more.This study has given priority on reducing carbon. Actually, for our existence, for living with good environment we should reduce carbon. We know about Bhutan. It is a small country and a country of small economy. But it has been successful to reduce carbon. It has more than 50% forest of total area. They have given the toppest priority on environment. Bhutanese believe, if our environment is safe, we will be safe. As it has been possible by Bhutan, so it will also be possible by Sri Lanka as well as Bangladesh.

Bangladesh Bank took initiative to ensure green banking practices among the scheduled commercial banks of Bangladesh. As part of that drive and initiative, a policy guideline was framed and issued to the scheduled banks in February 2011 and to NBFIs in August 2013 and to the new banks in September 2013. Despite it, the practice of green banking is really in its infancy in Bangladesh. Masukujjaman and Aktar (2014) observed that the banking sector is at initial stage in understanding and practicing the green banking and they are far behind their counterparts from developed countries. They observed that only very few commercial banks are doing in in-house environment management in volume and scale and contributing significantly to the sustainable financing. As a central bank of Bangladesh, Bangladesh Bank is trying to increase more green banking practicing of commercial banks in Bangladesh.

Due to unbelievable development of information technology, the developed countries are practicing green banking more and more. If the banks of Bangladesh like to go ahead with foreign banks, of-course, they must practice green banking widely. Now a days, it is not only responsibility to banks to save the environment. It is also the responsibility of all sorts of organizations. Actually, bank is a symbol here.

Green Banking plays an important role for saving our environment. It emphasizes paper less banking by introducing opening bank accounts through online, establishing ATM and CRM booths, solar panel system, online money transferring, payment any bill through online, paying educational institutions' tuition fees through online. Green Banking practicing also reduces our time, money, distance, risk etc. Going to bank physically and doing banking activities also have health effect. If we go to bank for banking activities, we have to stay in long queue with crowd. It has possibility to effect by covid-19 virus. Green Banking protected its customers from mass effection of covid-19 virus. During covid situation, most of the customers performed their banking activities through green banking facilities. So, I can say that Green Banking is a blessing for us during covid situation. Covid pandemic situation helped in many ways to developed green banking in many ways. Due to covid situation many organizations started to pay their staffs' salary through online banking. Many banks introduced new green banking products or facilities for their customers. Selfin is the latest introduction by Islami Bank Bangladesh Limited. Through this app, anyone can open his or her account staying at home without any paper. For saving our valuable time, money, energy, distance, risk and saving ourselves from contagious diseases like covid-19, tuberculosis, and other diseases we should take more green banking facilities. Banks should encourage their customers not to use paper or metal currencies. If these steps are continued, after some years, the whole world will go under paperless or metalless currencies. As a result, our world will be greener and safer for living.

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Methodology

3.1 Methodology: This chapter discusses the methods that have been used in the collection and analysis of data. Research is to be done to figure out the proper knowledge of the subject in a systematic way. It is analytical and hardworking process.

The most important and difficult part of the research is methodology. As in the research method which is used to examine the importance of the green banking in economy to sustain the environment with the help of it. There are certain sources to collect data for the research such as newspapers, journals and relevant books. The research has been done by getting secondary data from genuine sources such as articles, journals which are issued by persons, companies, websites and newspaper agencies of different countries. Also I collected data from the annual reports of different banks which are practicing green banking widely.

In this research, for statistical analysis, population are all the listed commercial banks (48 local banks and 9 foreign banks) in Bangladesh. As sample, I selected 10 banks. Among them 5 banks are practicing green banking activities widely and 5 are in primary stage. I have taken data (net income) from the annual reports of these mentioned banks for calculation mean. The period is 2020. The selected banks are shown separately.

5 Banks which are practicing green banking activities widely:

1. First Security Islami Bank Limited
2. Bank Asia Limited
3. BRAC Bank Limited
4. Eastern Bank Limited
5. United Commercial Bank Limited

5 Banks which are in primary stage in practicing green banking activities:

1. Shimanto Bank Limited
2. Bangladesh Krishi Bank
3. Modhumoti Bank
4. Basic Bank
5. Union Bank

3.2 Study Design:

* Phase-1: Data Collection

* Phase-2: Data Analysis

* Phase-3: Data Presentation

* Phase-4: Study Writing

3.3 Data collection procedure:

Secondary Sources:

1. Companys' Annual Reports
2. Paper based- Newspapers, books, magazines
3. Electronics based –Websites, articles, social media (Facebook, Youtube)



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Theoretical Review

4.1 Definition of bank:

A bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services such as wealth management, currency exchange, and safe deposit boxes. There are several different kinds of banks including retail banks, commercial or corporate banks and investment banks. In most countries, banks are regulated by the national government or central bank. Whoever, being an individual firm, company or corporation generally deals in the business of money and credit is called a bank. In our country, any institution, which accepts for the purpose of lending or Investment deposits of money from public, repayable on demand or otherwise, and with transferable by checks, draft order & otherwise is called a bank.

The purpose of banking is to ensure transfer of money from surplus unit to deficit units. Banks in all countries work as the depository of money. The owners look for safety and amount of interest for their deposits with banks. Entrepreneurs try to obtain money from the banks as working capital and for long term investment these entrepreneurs welcome effective and forward-looking advice for investment. Banking sector thus owe a great deal to the deposit holders on the one hand and the entrepreneurs on the other. They are expected to play the role of friend, philosopher, and guide for the deposit holders and the entrepreneurs.

4.2 The present banking sector in Bangladesh:

Since liberation, Bangladesh passed through unstable phases of development in the banking sector. The nationalization of banks in the post liberation period was intended to safe the institutions and the interest of the depositors. Those handling the banking sector have borne the burden of putting banks on reliable footings. Despite all that was done, some elements of irregularities appeared. With the assertion of the role of the Central Bank, the Bangladesh Bank started adopting measures for putting banking institutions on right track.

Yet the preponderance of public sector management of banks left some negative effects in the money market in particular and the economy in general.

The swiftness among the borrowers manipulates the banking sector as a whole. In effect, a default culture, among other effects, appeared on the scene.

The opening of private and foreign participants to the banking sector was intended to obtain desirable results from banking. The authorization of private banks was designed to create competition among the banks and competition in the form of efficiency within and the productivity in enterprises funded by banks. Unfortunately, for the people, at large, banking sector is yet to obtain the credit for efficiency, credibility and growth.

There are total 60 banks found in our database while 50 and 10 are Private and Public banks respectively. We have filed 57 banks in Commercial and 3 banks in specialized category. 9 Foreign commercial banks are currently operating beside of 51 local banks in Bangladesh. Those foreign banks are now operating as the branches of the banks which are incorporated in abroad.

4.3 Green Banking: Green Banking means promoting environmental-friendly practices and reducing carbon footprint from banking activities. This comes in many forms. Using online banking instead of branch banking. Paying bills online instead of mailing them or depositing them going to bank. Opening up CDs and money market accounts at online banks, instead of large multi-branch banks or finding the local bank in area that is taking the biggest steps to support local green initiatives. Any combination of the above personal banking practices can help the environment.
Green banking is like a normal bank, which considers all the social and environmental/ ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable bank. They are controlled by the same authorities but with an additional agenda toward taking care of the Earth's environment/ habitats/ resources.

4.4 History of Green Banking in Bangladesh: Bangladesh Bank (BB) started environment friendly banking practices by issuing Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions (FIs) in 2011. In the same year, it issued Green Banking Policy Guideline for Banks. In 2012, a uniform reporting format for reporting green banking activities in a structured manner for banks was introduced. Through these guidelines, all banks and FIs were brought under the structured reporting system. Besides, to speed up the ongoing schemes of banks and FIs at faster pace, 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. Recently, a comprehensive list of products of Green Finance for banks and FIs has been circulated in September 2017. To monitor green banking policy & other regulations and to ensure the quality & uniformity of data provided by Banks & FIs, a new uniform reporting format of Quarterly Review Report on Green Banking Activities has been circulated for Banks & FIs in January 2018. To ensure the movement towards sustainability, Banks and FIs were instructed to form a 'Climate Risk Fund' having allocation at least 10% of their Corporate Social Responsibility budget for Climate Risk Fund. This funding can be done in both ways- by providing grants or financing at reduced rate of interest. Meanwhile, 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. 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 Taka 2 billion from its own fund for solar energy, Bio-gas plant. The product line has been enhanced to 51 under 08 categories. This refinance scheme aims to encourage the shariah based investors to be involved more in the renewable energy and environment friendly efforts and strengthen the involvement of shariah based financing in this sector.

4.5 Bangladesh Bank Policy Guideline for Green Banking: Being a responsible corporate citizen and with a view to develop green banking practices in the country Bangladesh Bank issued a circular on February 27, 2011 on Policy Guidelines for Green Banking towards banks stating "to adopt a comprehensive Green banking policy in a formal and structured manner in line with the global norms so as to protect environment degradation and ensure sustainable banking practices" (BB website). In line with the instructions of Bangladesh Bank, all banks have taken initiatives to formulate its green banking policy with an aim to inculcate practices towards optimum usage of natural resources and make every effort for environmental friendly activities. As per circular of Bangladesh Bank, banks are to implement green banking guideline in three phases. These are:

Phase one: (1) Policy formulation and governance, (2) incorporation of environmental risk in customer relationship management (CRM), (3) initiating in-house environment management, (4) introducing Green Finance, (5) creation of Climate Risk Fund, (6) introducing Green Marketing, (7) Online Banking, (8) Supporting employee training, consumer awareness and green event; and (9) disclosure and reporting of green banking activities. Deadline for compliance of programmed under phase one was December 31, 2011.

Phase two: (1) Sector specific environmental policies; (2) green strategic planning; (3) setting up green branches; (4) improved in-house environment management; (5) formulation of bank specific environmental risk management plan and guidelines; (6) difficult programmes to educate clients; and (7) disclosure and reporting of green banking activities. Deadline for compliance of programme under phase two is December 31, 2012.

Phase three: (1) Designing and introducing innovative products; and (2) reporting in standard format with external verification. Deadline for compliance of programme under phase three is December 31, 2013.

4.6 Steps in Green Banking: It is found that following are some of the steps that can be taken for going green in banking:

a. Online banking:

- Paying bills online
- Remote deposit/ bKash, Nagad, Rocket, tap, Upay
- Online fund transfers
- E-statements
- Automated clearing house

b. Green Accounts (ATM and CRM Service)

c. Green Financing

d. Power Savings Equipment

e. Green Debit Cards/ Credit Cards

f. Save Paper

g. Mobile Banking

4.7 Commercial Banks' Green Banking Initiatives: According to the present guidelines of BB, every Private Commercial Bank (PCB), State-owned Commercial Bank (SCB) and Foreign Commercial Bank (FCB) are required to formulate and maintain a suitable green banking policy and technique. 57 commercial banks are being operated in Bangladesh banking sector and maximum banks have their own green banking activities as a corporate citizen. According to BB, AB Bank Limited, Mutual Trust Bank Limited, Commercial Bank of Ceylon PLC, Islami Bangladesh Limited, Bank Alfalah Limited, Trust Bank Limited, Bank Asia Limited, Dutch Bangla Bank Limited, Eastern Bank Limited, Standard Chartered Bank Limited, Shahjalal Islami Bank Limited are conducting more green banking actions. Every year commercial banks of Bangladesh allocate thousands of dollars for green banking activities to go greener in the banking sector.

4.8 Commercial Banks' Green Banking Activities:

a. Using Solar Energy at their branches and ATM/CRM booths.

b. Established solar power system on their rooftop for reducing the use of power.

c. Providing loan for solar irrigation projects.

d. Investing in biogas plants in rural areas to curtail the use of green trees to save the earth.

e. Hi-Tech Project for 35KW Solar Power Plant has been established at Gazipur for decreasing pollution by Mutual Trust Bank.

f. Tree Plantation.

g. Organic Fertilizer.

h. Environment-friendly projects such as CNG refueling, agro-based loan, brickfield projects, etc.

i. Securing most recycling of waste products.

j. Demotivating the use of Polythene and inspiring use of Jute made products for a clean environment.

k. Many commercial banks have started to use energy-saving bulbs at their branches.

4.9 Comparative Analysis: To analyze the present status of green banking practices in different types of banks the following components of Green Banking have been brought into light:

Environmental Adoption: The negative impacts of climate changes have already started. Though banks contribute little to global warming, they have to focus on adaptation and mitigation process to cope up the adverse impacts of global warming and green banking initiative can facilitate this process.

Number of banks ingraining CSR and GB practices within own establishment and in their client businesses:

Objective	SCBs	SDBs	PCBs	FCBs
Adopted socially and environmentally responsible practices(GB) in own internal operations	1	4	30	9
Providing a modern, healthy and safe workplace and creating a learning and development environment for GB	1	2	24	5
Reduce the bank's environmental impact as a result of its operation and business activity	1	2	24	5
Bank assessing the social and environmental impacts of the projects seeking finance.	1	2	20	5
Ensuring compliance of regulatory environmental and social requirements	1	2	21	5
Engaging with clients in assessing project's social and environmental impacts beyond the regulatory requirements	0	0	4	3

Source: Review of CSR initiatives of banks- 2011, *Bangladesh Bank* July 2012

Table-4.1, Number of banks inaugurating CSR and GB practices

From the above data it is observed that most of the Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs) maintain environmental related issue within the bank as well as outside the banks so that the environmental threat can be reduced. Though State-own Commercial Banks (SCBs) and State-own Specialized Development Banks (SDBs) cover most of the people of Bangladesh urban and rural area, they are yet to adopt green banking practices.

Online Banking: Online banking is the developing concept all over the country. Online banking pretty convenient not to have to store all those reams of paper in file cabinet and it reduces the amount of paper that the banks have to go through every month.

Online banking coverage

Type/category Of banks	Total No. of branches	No. of branches with Online banking facility	% branches with Online banking facility
SCBs	3442	189	5.49
PCBs	3078	2741	89.05
FCBs	63	63	100
SDBs	1415	49	3.46
Total	7998	3042	36.3

Source: Review of CSR initiatives of banks- 2011, *Bangladesh Bank* July 2012

Table-4.2, Online Banking Coverage

According to this table, only 36.3% of all the branches of all types of banks have already come under the coverage of online banking. Among FCBs coverage is 100%, while PCBs 89.05%, SCBs 5.49% and SDBs 3.46%. It is to be noted that State-own Commercial Banks (SCBs) and State-own Specialized Development Banks (SDBs) are not aware about GB policy of Bangladesh Bank.

ATM Facilities: An electronic banking outlet which allows customers to complete banking transactions without the aid of a branch representative or teller. So, it is called Automated Teller Machine. The machines will provide cash from the deposits, facilitate credit card payments and report account information. To access the features of ATM, need to be a member of the bank that operates the machine. ATM Facilities have reduced the time, money and energy of customers. It has removed the monotonous time for collecting money from a branch staying in a que. Through ATM Card which is called Debit card customers can purchase things from super shops or outlets. It is also possible to tuition or other fees through this card.

ATM coverage

Type/category of banks	Number of Banks	Total No. of branches	No. of branches under ATM facility	% branches with ATM facility
SCBs	4	3442	210	6.10
PCBs	30	3078	2950	95.84
FCBs	9	63	55	87.30
SDBs	4	1415	57	4.03
Total	47	7998	3272	41

Source: Annual reports of the banks, 2011.

Table-4.3, ATM Coverage

It is to note that only 41% banks came under ATM facilities and major contribution are the PCBs and FCBs. On the other hand, a big portion of clients are out of services of ATMs who bank with SCBs and SDBs.

Mobile Banking: Mobile Banking is a banking process without bank branch which provides financial services to unbanked communities efficiently and at affordable cost. On the one hand, it is great to have the ability to check balances, transfer funds or pay bills from mobile. On the other hand, it saves time and energy of the customers. It also helps in reducing use of energy and paper of the bank. Most of the banks tried to introduce this paper-less facility.

Mobile Banking coverage

Type/category of banks	Number of Banks	Availability of Mobile Banking	% banks with Mobile banking facility
SCBs	4	0	0
PCBs	30	10	33.33
FCBs	9	0	0
SDBs	4	0	0
Total	47	10	21.3%

Source: Annual reports of the banks, 2011

Table-4.4, Mobile Banking Coverage

Only PCBs introduced mobile banking system. BRAC Bank (bKash) and Duch-Bangla Bank (Rocket) cover most of the population under this system. Also Trust Bank (Tap) and United Commercial Bank (Upay) practicing mobile banking. Only non-banking organization Nagad is another popular mobile bank operator. SCBs, SDBs and FCBs have no contribution in mobile banking.

Green Financing: According to Bangladesh Bank guideline, commercial banks undertook an initiative to go green by paying low interest loans to the customers who would like to setup solar equipment, ETP, Bio-gas Plant, Hybrid Hoffman Kiln(HHK) etc. Despite the country's state-owned and private commercial banks and a non-banking financial institution (NBFI) signed an agreement with BB to disburse the environment-friendly loan.

Category wise contributions of bank towards green financing

In million Taka

	SCBs	PCBs	FCBs	SDBs
ETP	77.68	3134.80	705.97	1.00
Projects having ETP	5758.74	122694.64	19726.55	0.00
Bio-gas Plant	28.31	219.76	0.00	0.00
Solar/Renewable Energy Plant	229.77	756.02	0.00	0.00
Bio-fertilizer Plant	0.00	4.50	0.00	0.00
Hybrid Hoffman Kiln(HHK)	112.40	795.17	0.00	0.00
Others	5249.70	5.20	220.00	42.80
Total	11456.6	127610.1	20652.52	43.8

Source: Review of CSR initiatives of banks- 2011, Bangladesh Bank July 2012

Table-4.5, Category wise contributions of banks towards green financing

Volume of direct green finance in the year 2016 of banks and NBFIs (In million Taka)

Type of Banks/ NBFIs	Direct Green Finance (TK in Million)	Sector wise contribution
SCBs (06)	2,013.70	6.04%
SDBs (02)	30.10	0.09%
PCBs (40)	24,597.40	73.74%
FCBs (09)	768.80	2.30%
NBFIs (33)	5,948.20	17.83%
Total	**33,358.20**	**100%**

Table-4.6, Direct green finance in the year 2016, Source-Bangladesh Bank

Volume of indirect green finance in the year 2016 of banks and NBFIs (In million Taka)

Type of Banks/ NBFIs	Direct Green Finance (TK in Million)	Sector wise contribution
SCBs (06)	1,234.50	.26%
SDBs (02)	0.00	0%
PCBs (40)	379,887.50	80.85%
FCBs (09)	77,547.30	16.51%
NBFIs (33)	11,193.80	2.38%
Total	**469,863.10**	**100%**

Table-4.7, Indirect green finance in the year 2016, Source-Bangladesh Bank

Allocation of fund for Green Banking (In million Taka)

Area of Allocation	Amount in million Taka
Green Finance	20,034.59
Climate Risk Fund	2,141.74
Marketing and capacity building for Green Banking	842.73
Total	**23,019.06**

Table-4.8, Allocation of fund for Green Banking in the year 2016, Source-Bangladesh Bank

4.10 In-house actions of Bangladesh Bank:

a. For summing up mobility in business actions, Bangladesh Automated Clearing House (BACH) has made easy remuneration strait as well as the remittance channel for the users.

b. For the purpose of prospering the Information and Technology (IT) sector, it has taken out the leading position to imbue as well as to execute IT-related technologies in the all-up banking zone.

c. Bangladesh Bank has already opened the National Payment Switch (NPS) that is a vital factor for the overall payment system.

d. It has already started online-banking facilities for their customers that maintain money transfer, utility services, etc.

e. For securing transparency of the rendering mode, Central Bank has already started a web-based e-tendering procedure, which maintains schedules agreement and c1overs declarations of tender.

f. Some special activities have been taken by BB to facilitate banking performance such as online salary, an electronic pas, online necessary advice, online office orders and so on.

g. A specific section, the Enterprise Data Warehouse (EDW) has made up an electronic data bank that gives information on fiscal, monetary and trade sectors of the whole economy.

h. BB monitors commercial banks' green banking activities on a regular basis through the country.

In-house environment management: The environment of the world has been polluting over years that is not sound news for human being and animals. For the aspiration of bringing down Gas emission, many state-owned commercial banks, private commercial banks, and financial institutions are exerting solar energy at their branches, ATMs booth, and SME units. The overall circumstances have been manifested in the following table exercising solar energy through 2015-2018

Practicing of solar energy at Branches, ATMs of banks, and SME units

SL.NO	2015		2016		2017		2018	
Types of bank/FI	No. Of branches powered by solar energy	No. Of ATM/SME units powered by solar energy	No. Of branches powered by solar energy	No. Of ATM/SME units powered by solar energy	No. Of branches powered by solar energy	No. Of ATM/SME units powered by solar energy	No. Of branches powered by solar energy	No. Of ATM/SME units powered by solar energy
SOCBs	42	1	42	1	36	2	75	2
SDBs	0	0	0	0	0	0	5	0
PCBs	342	244	477	246	495	212	489	85
FCBs	4	6	3	5	2	3	5	5
Total	433	251	522	252	533	217	574	92
FIs	4	0	3	2	2	0	3	0
Grand Total	437	251	525	254	535	217	577	92

Sources: quarterly report of Bangladesh Bank on Oct-Dec, 2015, 2016, 2017, 2018

Table-4.9, practicing of solar energy at branches, ATMs of banks and SME units

This table shows that State owned Development Banks (SDBs) have less contribution in practicing of solar energy at branches, ATMs of banks and SME units. But Private Commercial Banks (PCBs) have great contribution in this category.

In-house activities of banks according to BB:

1. A common use of table stationeries instead of an individual.

2. Use of paper on both sides for internal consumption.

3. Introduction of e-statement for customers instead of paper statements.

4. Use of online communication in the best possible manner.

5. Using more daylight instead of electric lights and proper ventilation in lieu of using air conditioning.

6. Using energy-saving bulbs.

7. Use of Eco Font for printing light impression on both sides of the paper.

8. Setting defaults like “Thinking twice before printing.”, “Printing only it really needs”, “Please check your environmental responsibility” etc. in email correspondences.

9. Conference in lieu of physical travel.

10. Conversion of Bank’s vehicles (pool) into CNG and use of energy-efficient electronic equipment.

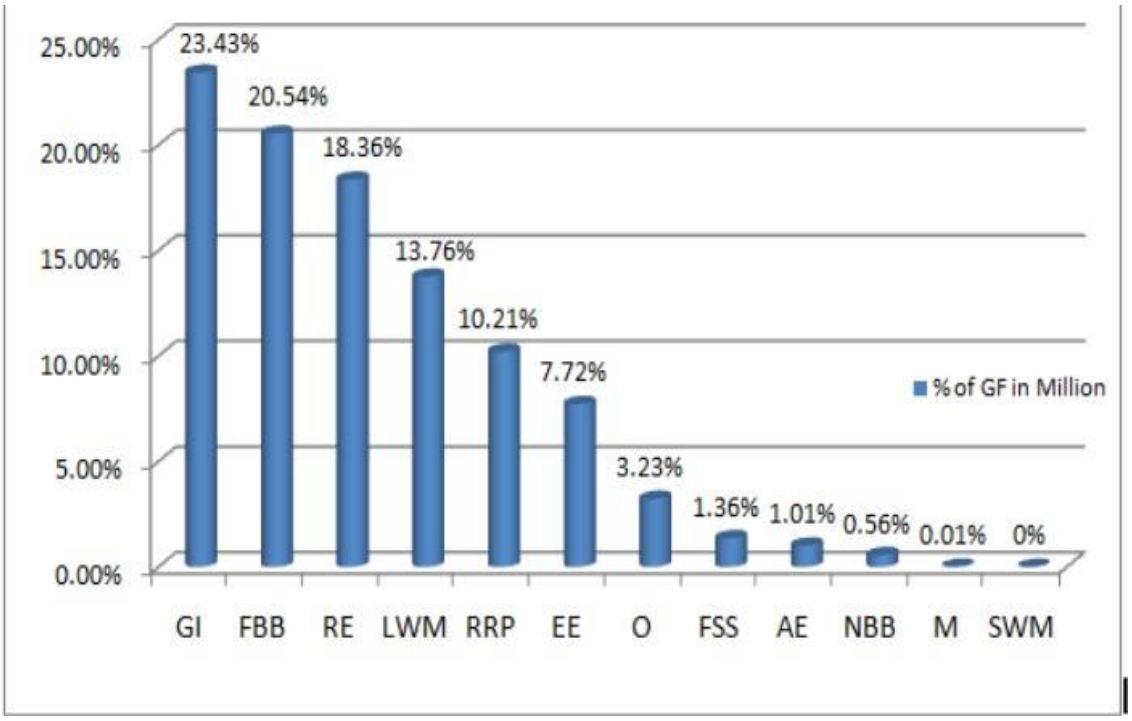
11. Efficient use of printer cartridges, photocopy toner, office stationery, etc.

12. Sharing electronic files, voice mail and e-mail instead of paper memos.

13. Use of solar energy/ renewable energy sources.

14. More concentration on developing a Green Office Guide for reducing the information gap/reducing hazards/increasing efficiency/awareness/reducing pollution/developing Green Banking for sustainable finance.

Green Finance in 2015: In 2015, the actual amount of green finance was TK 129331.82 million on Oct-Dec according to a quarterly report. In the case of direct investment where a number of banks were 37 and financial institutions were 8, on the other hand, in case of indirect investment total banks were 28 and financial institution was 6. Total banks were 42 out of 56 and financial institutions were 11 out of 32.



Sources: quarterly report of Bangladesh Bank on Oct-Dec, 2015.

Graph-4.1, Green Financing in 2015

According to above figure, it was illustrated that Green Industry (GI) 23.43% , Fire Burnt Bricks (FBB) 20.54%, Renewable Energy (RE) 18.36%, Liquid Waste Management (LWM) 13.76%, Recycling, and Recyclable Product (RRP) 10.21%, Energy Efficiency (EE) 7.72%, Others (O) 3.23%, Factory Safety, and Security (FSS) 1.36%, Alternative Energy (AE) 1.01%, Non fire Block Bricks (NBB) 0.56%, Miscellaneous (M) 0.01%, and Solid Waste Management (SWM) 0%, expenditures were spent in 2015.

4.11 <u>Top Ten Banks in Green Banking Initiatives</u>: Top 10 banks are evaluated on the basis of their overall Green Banking activities. An effort has been made to evaluate top ten banks on each criterion such as Environmental Risk Rating (EnvRR), green finance, part of CSR activities for green event or green project, green marketing, training & development, in house green activities, online banking and other green banking activities. Bank's green banking activities as of 2012 and also data on last quarter of 2012 have been taken into due consideration while grading top ten banks.



Figure-4.1, Top ten banks in Green Banking initiatives

4.12 Green Banking Stakeholders:

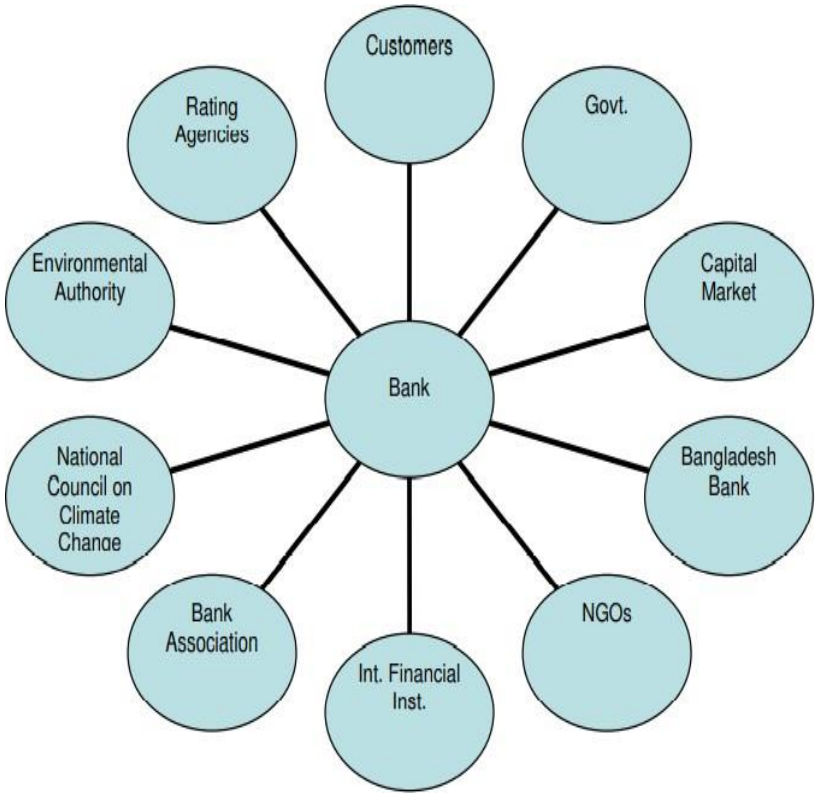


Figure-4.2, Green Banking Stakeholders

4.13 Major challenges for green banking:

There are six major challenges ahead for green banking in Bangladesh. These are:

* Coordination among all the concerned authorities for green economy.
* Proper awareness and effective capacity building.
* Immediate concentration on sector wise lending policies and procedures
* Need for applying a quantitative approach for a more justified rating.
* Shifting of different categories of industry (such as Garments, Textiles, Tanneries) to a proper location.
* Awareness of the Top Management.

4.14 Green Banking Slogans:

Being green is staying clean

Think Green – Live Green



Figure-4.3, Green Banking slogans

Buy Green to save Green

Go Green, Green Goes with Everything

Keep green and keep our planet clean

Clean City – Green City

Take a stand for the love of green

Love Earth – Go green



Figure-4.4, Green Banking slogans

4.15 Statistical Analysis: Practicing of green banking is increasing day by day. It is being more popular to the customers. As a result, the banks which are practicing green banking are earning more profit than the banks which are in primary stage in practicing green banking. A comparative analysis between two categories are given below:

Average net profit of 5 green banking practicing banks:

Name of banks	Net Profit in million BDT (Year 2020)
First Security Islami Bank Limited	2,792.57
Bank Asia Limited	2,035.71
BRAC Bank Limited	4,026.00
Eastern Bank Limited	4,103.00
United Commercial Bank	2,948.84
Total Net Profit	**15,706.12**
Average Net Profit	**3,141.22**

Table-4.10, Average net profit of Green Banking practicing banks

Average net profit of 5 banks which are practicing green banking in primary stage:

Name of banks	Net Profit in million BDT (Year 2020)
Shimanto Bank Limited	201.04
Bangladesh Krishi Bank	(12,411.80)
Modhumoti Bank Limited	1,645.00
Basic Bank	(3,718.18)
Union Bank	988.41
Total Net Profit	**-13,295.53**
Average Net Profit	**-2,659.10**

Table-4.11, Average net profit of banks which are practicing green banking in primary stage

4.16 Green Marketing, awareness development and supporting green events: The green banking disclosure and annual reports of different banks covered their green marketing and awareness development activities in diverse ways and centering the following activities:

i) Advertisement in electronic and print media about green banking issues and products.

ii) Publication on various of green and sustainable banking events, issues and products.

iii) Arranging public events like essay competition, arranging rally etc. on green banking activities.

iv) Participation on TV talk show on green banking.

v) Preparation of green brochure for promoting the 50 green products of Bangladesh Bank and distributing them among all clients through all branches.

vi) Calendar publication with the theme of green banking.

vii) Observing World Environment Day through some functional and meaningful initiatives such as tree plantation around the country.

4.17 Achievement of green banking in Bangladesh: Many things have been achieved by green banking. They are mentioned below:

1. It has saved money, time, distance through debit and credit cards, mobile banking.

2. It has reduced the possibility of contagious diseases like covid-19, tuberculous etc. debit and credit cards, mobile banking.

3. It has saved paper and saved trees.

4. It has reduced the risk of carrying paper currencies.

5. It has been very convenient for the students. Through online banking, they can pay their admission fee, tuition fee and other fees. Some banks especially Dutch-Bangla Bank and Brac Bank established ATM booths in the premises of renown universities. It helps students in many ways.

6. Green banking also preserved status in the society. If somebody has credit cards, it means that he earns a standard amount of salary. He has also Tax Identification Number. It means that he is also a tax payer.

7. By using credit cards and mobile banking, customers also enjoy many offers. It increases the purchasing willingness of the customers.

8. Before inauguration green banking, people suffered in many ways. Such as at midnight, a man became ill. For his treatment money is needed. There is no cash at home. In this situation, he has to borrow money from others. Now this problem has been solved due to use credit cards, debit cards and mobile banking. It is also a great achievement of mobile banking.

9. Once upon a time, buying high priced things like air-conditioner, television, refrigerator etc. was a difficult for middle class people. Now they can buy such type of products by using credit cards with 12 months installation without any interest.

4.18 <u>Present situation of green banking in Bangladesh</u>: Green Banking is being popular day by day. At present, all the banks are trying to take green banking initiatives. They are providing loans to the projects which are environment friendly. Many branches of private banks have solar panel on the roof top. They use energy saving lights. The design of the buildings has made such a way so that sun light can enter into the rooms. For getting such opportunity, instead of brick walls, transparent glass has been used. Saving tree is one of the motto of green banking. For that reason, it is being tried to use less paper or no paper. For using less paper, at present bank statements are printed on both pages. For using no paper for bank statements, internet banking provides virtual statements.

At present, debit cards, credit cards and online banking are playing a great role for developing green banking activities. Many types of products and services can be bought by using debit card, credit card and online banking. Due to covid pandemic situation, the use of debit card, credit card and online banking have increased dramatically. Up to March 2020, total loan against credit cards was 5 thousand 449 crore. In December 2021, it has been 6 thousand 926 crore. Use of credit cards has been increased by 55%. On the occasion of last Eid-ul-fitr, almost 3,000 organizations have used mobile banking including outlet of lifestyle, dress, shoe, electronics, restaurants etc. Almost 70 online shops offered 20% instant cash back. In Bangladesh, 33 banks issue visa and master cards. Money can be transferred from these cards to online banking and mobile banking. Now all over the country, there are 2 lacs and 70 thousand merchant accounts of different mobile banking operators. Not only shopping, but also ride sharing, bus, train, lanch and air tickets can be bought by these banking.

In 2013, the number of credit cards were less than 13 lacs. Now it is above 19 lacs. Among them, 5 lacs are from City Bank. Comparing to 2020 and 2021, transactions have been increased 50%. Now total transactions are almost 21 thousand crore. POS transactions has been increased 52%. Total transactions by 83 thousand POS are 27 thousand crore. QR code-based transactions are also increasing. In future, all the transactions will made taking the service of green banking. So, there will be no use of paper or metal currencies. There will be no finance from bank to projects which are not environment friendly. So, we can say, in future green banking will make a revolution to make a green world.

4.19 <u>May Green Banking be popular to the green (Young people)</u>: Green Banking should be popular to the young generation also. If it is possible to make it popular to the young especially students, it will be more effective. Thinking about students demands more students friendly banking products should be introduced. Such as with limited amount, students can be provided special credit card. It will be used for study purpose like paying tuition fees, admission fees and for buying study related things. Students friendly Savings Account and monthly deposit scheme can be inaugurated. Of-course filling the bank opening form will be online based. Going to banks, students will fill up this form. No paper will be used in these accounts. As necessary documents, softcopy of student's ID and birth certificate will be used. After opening these accounts, they will be given trees as special gift. Depositing money to these accounts will be through mobile banking or debit or credit cards. If these steps can be taken, green banking will be more popular day by day to the young.

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Finding

Basically, Green banking avoids as much paper work as possible and rely on electronic transactions for processing of activities. Less paperwork means less cutting of trees. Here, most of the PCBs and FCBS adopted the GB policy except SCBs and SDBs who have not taken such steps yet. Bangladesh Bank not only gives the policy but also provides technical supports for GB adoption. Bangladesh Banks developed a policy for sanction loans to environmentally harmful projects so that make sure the necessary environmental compliance factors before lending a loan/investment. GB motivates the banking system that reduces use of paper which create brand image and Create awareness amongst the stakeholders about the environment as well as environmentally friendly business practices i.e. solar equipment, ETP, Bio-gas Plant, Hybrid Hoffman Kiln (HHK) etc. As most of the people of our country are illiterate, they have less technical knowledge. Minimum requirements are needed to take green banking opportunities like using ATM or CRM machine, filling online form for opening bank accounts, paying different types of bills through online banking or mobile banking. All the online banking and mobile banking are operated in English. So, it is difficult to understand for the mass people. Though our whole country is under electricity but it is not for 24 hours especially in country sides. So, it is not possible to spread green banking opportunities all over the country. Another problem is poor internet availability. Due to smooth internet availability, customers can not take proper service from ATM or CRM booths. High yearly charge and hidden charge are hindrance of green banking especially charges for ATM Card and Credit card.

There are more findings for developing green banking in Bangladesh:

- Government should carefully monitor and supervise the green banking practices in Bangladesh.
- Bangladesh bank must monitor the observance of green banking guidelines by the commercial and non-commercial banks.
- Government encourages the general people about green banking awareness through the electronic and print media.
- Coordination among concerned authorities.
- Speeding up awareness and effective capacity building.
- Immediate concentration on sectoral lending policies and procedures.
- Shifting of different categories of industry (such as, garments, textiles, and tannery) to a proper location and providing less interest loan for shifting.
- Awareness of top management for monitoring green banking activities.
- Encouraging borrowers to go green and visiting their sites.
- Need to apply green banking and use environmental risk management (ERM) guideline in efficient manner.
- Develop a culture within the organization based on environmental governance.
- Replicate global as well as local best practices.
- Share Knowledge and technical know-how with peer groups.
- Further integration with credit risk management in the overall credit risk methodology.

- Apply quantitative approach for environmental risk rating.
- Availability of electricity and internet connection will be helpful for development of green banking. So, more power has to be generated especially generating power from solar, wind and bio-gas.
- Different charges have to be minimized of green banking facilities thinking about the mass people.
- In our education system especially in textbook, the advantages of green banking should be included.
- Govt. should encourage all the people to open a bank account in any bank with a very small initial amount. It may be 50 taka to 100 taka.
- For mobile banking, all the operators will have access to another operators. Such as a customer who has rocket account, he can send money to another mobile banking user who has bkash account. Then it will be more popular to all sorts of people.
- There will be government instructions for every bank to make green its surrounding area. Concern banks will plant trees besides roads, road islands educational institutions. They will keep dustbins for keeping empty water bottles, plastic packets of foods and other wastage things. There will be a name plate where the name of the bank will be mentioned as sponsor.

If the concern authorities can take the proper steps on these findings, green banking will be popular day by day. As a result, paper or metal currencies will be reduced day by day. Our country will be greener due to use less paper in banking.

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Conclusion

Bangladesh is one of the most climate change vulnerable countries in the world. From the overall discussion, it can be said that green banking practices in Bangladesh are not at a satisfactory level. In line with global development and response to the global warming, green banking plays significant roles. Government as well as every bank should take initiatives in respect of green banking practices for protecting our environment. Bangladesh bank will emphasize with significance of green banking activities/practices of a bank while according to permission for opening new bank branches and approval for launching new bank. When a bank will be incorporated, they have to undertake that what they will do for go green. Government agency will monitor their activities and remind about their undertaken. The banks what they spend for TV or online advertisement, with the less amount of money they can do environment friendly activities. Government should also encourage the general people about the green banking practices. In the bank opening form, a customer will mention how many trees he has planted in his or her whole life, how many trees has he planted last years and many trees will plant in the coming year. At the bottom of the form there will be a declaration of a customer. He or she will declare that every year I will plant minimum two trees in any way, I will not throw any empty water bottles, plastic packets of foods or any other things, I will keep all the mentioned things in the dustbin. I I do not get dustbin I keep them in my pocket or bag then going home I will keep them in the dustbin. If the customer is a businessman and if he or she opens business account, the signatory will declare that I will not establish any industry which is harmful for the environment. The central bank should monitor or supervise commercial banks whether they are practicing green banking or not. So, every bank has to participate and contribute to green banking practices in today's extreme national and global banking competition. Bank is a symbolic organization for go green. Actually, all the people and all sorts of organizations should try to make the country green from their side. Then we will get a green country for a healthy breath.

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   Bank Asia Limited

   Brac Bank

   Eastern Bank Limited

   United Commercial Bank

   Basic Bank

   AB Bank

   NCC Bank

   Uttara Bank

   Prime Bank

   Bangladesh Krishi Bank

Madhumoti Bank

Basic Bank

Union Bank

Shimanto Bank Limited

Appendix:

Appendix-1:

Popular Mobile Banking Services in Bangladesh:

Service Names	Banks
Rocket	Dutch-Bangla Bank Limited
Bkash	BRAC Bank Limited
Upay	United Commercial Bank Limited
My Cash	Mercantile Bank Limited
OK	One Bank Limited
Tap	Trust Bank Limited
Nagad	Nagad (Only mobile banking)

Appendix-2:

Green Banking Products:

1. Online Banking
2. Internet Banking
3. ATM
4. CRM
5. POS
6. IDM
7. SMS Service
8. Finance in solar energy, bio-gas, Hydro power, Wind power, Waste management, Recycling, Green brick manufacturing.

Appendix-3:

List of Green Banks in Bangladesh:

State Owned Commercial Banks	Specialized Banks	Private Commercial Banks	Foreign Commercial Banks
Sonali Bank	BKB	City Bank	CB of Ceylon
Rupali Bank	RAKUB	UCB	St. Chartered
Janata Bank	BASIC	AB Bank	SBL
Agrani Bank	BDBL	IFIC	NBP
		National Bank	Citi N.A
		Uttara Bank	HSBC
		Pubali Bank	WOORI
		Eastern Bank	Al-Falah Bank
		NCCBL	Habib Bank
		Dhaka Bank	
		SBL	
		Prime Bank	
		DBBL	
		Mercantile Bank	
		One Bank	
		EXIM Bank	
		Premier Bank	

		Standard Bank	
		FSIBL	
		BCBL	
		MTBL	
		Bank Asia	
		Al-Arafa Bank	
		ICB	
		Islami Bank	
		BRAC Bank	
		Jamuna Bank	
		Shahjalal Bank	

Appendix-4:

Comparison of operation profits of some Green Banks in Bangladesh:
(Approximate figures in million BDT)

Name of Banks	**2020 (Taka in million)**	**2021 (Taka in million)**
Bank Asia	7,230.00	10,020.00
FSIBL	6,130.00	6,900.00
Mercantile Bank	4,110.00	7,220.00
NCC Bank	5,730.00	7,170.00
NRB Bank	1,070.00	1,230.00

Premier Bank	6,800.00	8,810.00
Social Islami Bank	4,600.00	5,040.00
Southeast Bank	8,150.00	10,160.00
Union Bank	3,170.00	3,750.00

Appendix-5:

Some organizations which contribute in Green Financing:

1. JICA
2. World Bank
3. ADB
4. IDB
5. KFW

List of Abbreviations:

1. GB – Green Banking
2. BB – Bangladesh Bank
3. ATM – Automated Teller Machine
4. CRM – Cash Recycling Machine
5. JICA – Japan Internal Cooperation Agency
6. ADB – Asian Development Bank
7. IDB – Islamic Development Bank
8. KFW - Kreditanstalt Fur Wiederaufbau (German word)
9. CNG – Converted Natural Gas
10. CSR – Corporate Social Responsibility
11. POS – Point of Sales
12. IDM – Immediate Deposit Machine
13. AB Bank – Arab-Bangladesh Bank
14. USD- United States Dollar
15. BDT – Bangladesh Taka

Vocabularies:

1. Kreditanstalt Fur Wiederaufbau (German word) – Reconstructed Loan Corporation (English).

The End.