

Green banking: Going green

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Abstract: Green Banking is any form of banking from which the country and nation gets environmental benefits. A conventional bank becomes a green bank by directing its core operations toward the betterment of environment. Green Banking has become a buzz word in today's banking world. It means developing inclusive banking strategies which will ensure substantial economic development and promoting environmental-friendly practices as well. This paper focuses on the Green Banking activities of the commercial banks of Bangladesh and we also tried to reason why this policy was adopted and make a comparison among the green banking practices of the commercial banks as well. The policy guidelines will also be focused. The regulations regarding Green Banking is going to be discussed as well.

Keywords: Green Banking, Green Banking Policies, Environmental Issues, In-House Activities

1. Introduction

To implement "Green Banking", Bangladesh bank has developed the regulations of Green banking in the year 2011. Bangladesh Bank is the World's first central bank, which has in-depth and apparent knowledge on green banking. State Owned Bank, State Owned Commercial Bank, Private Commercial Bank and Foreign Commercial Bank etc., all banks are working diligently on Green Banking as instructed by Bangladesh Bank. As per Bangladesh Bank's data on "Green Banking" 2013, all scheduled banks have developed their own Green Banking Policy and Green Banking unit. After increasing the environmental risks, banks have distributed 793,561.25 million Taka in 10,868 projects. In year 2012, banks have distributed 270,921.53 Million Taka as Green Financing. Banks have been encouraged to utilize the 258.89 Million Taka as CSR (Corporate Social Responsibility) in Green Banking Activities and Green Projects. They have concentrated on Green Marketing, Training and Development utilizing 90.42 million taka from their fund. Current situation of online banking is, 3445 branches among 8392 branches (41.05%) are completely technologically enriched. State Owned Banks and Specialized Development Banks have continued working on online internet and SMS banking initiative.

2. Objectives of the Study

The main objective of the study is to get acquainted with

the green banking practices of the banking institutions of Bangladesh. We also tried to focus on the process of adopting green banking policy, environmental issues and in-house activities. We also make a comparison among the green banking practices of the banks.

3. Methodology

We have prepared the paper on the basis of data from various sources of Bangladesh Bank and with the practical experience of the banks of our country. We tried to find out the phases through which green house initiative was implemented. The environmental changes that green house is going to cause is also about to discuss. And we also tried to reason out why and how the banks are adopting green banking practices.

4. Theoretical overview of Green Banking

4.1. History of Green Banking

Green Banking is any form of banking from that the country and nation gets environmentally benefits. An orthodox bank becomes a green bank by directing its core operations toward the betterment of environment. The banking sector can play an intermediary role between

economic development and environment protection by promoting environmentally sustainable and socially responsible investment. The concept of green banking was developed in the western countries. Green Banking was formally started in 2003 with a view to protecting the environment. Then the Equator Principles (EPs) were launched and were initially adopted by some leading global banks, such as Citigroup Inc, The Royal Bank of Scotland, Westpac Banking Corporation. In March 2009, Congressman Chris Van Hollen of USA introduced a Green Bank Act with the aim of establishing a green bank under the ownership of the US government. After introduce the Green Banking initial decision was to minimize the paper use in banking works because to make all kinds of papers need to cutting trees as raw materials (its minimize the green forestation) and for this reason naturally its reduce the Oxygen and increase the carbon-dioxide in airspace/ globe. There are two ways of green banking practices. One is in-house green banking; another is practice by the bankers in their business area. Creating clean and hygienic banking environment, green building, reforestation, online banking, waste management, installation of solar panel on the rooftop of the bank and using high mileage vehicles, reducing sound pollution, using webcam for video conferencing instead of physical meetings, online statements, emailing documents are included in the in-house Green Banking. Financing the green projects like Bio-gas Plant, Solar/Renewable Energy Plant, Bio-fertilizer Plant, Effluent Treatment Plant (ETP), Projects having ETP etc, working on specific green projects, voluntary activities of banks are major practices by the bankers in their business areas. Green banking undertakes proactive measures to protect environment and to address climate change challenges while financing along with efficient use of renewable, non-renewable, human and natural resources.

4.2. Features

Some important features of green banking operations are as follows:

- Banks can help environment through automation and online banking.
- Green banking focuses on social safety and security through changing the negative impacts of the society.
- In financing, it always gives priority to investments / loans which consider risk factors regarding environmental conditions.
- It always cares for sustainable and green growth in industrialisation and for social purposes.
- It creates a congenial atmosphere inside and outside the bank.
- It considers the clients as its family members, and as such, guide and supervise the projects to reduce pollution and thus implement scientific methods in the real sense by implementing environmental due diligence (EDD) checklist.
- It reduces cost and energy, thus saving money and increasing GDP of a country.
- It changes the mental faculties of the officials and

customers, in line with green sensibilities.

- It helps institutions, men and the nation in general live with dignity.

4.3. Policy Guidelines for Green Banking

We are aware that global warming is an issue that calls for a global response. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet. Green finance as a part of Green Banking makes great 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 save environment.

4.3.1. Bangladesh Bank's Earlier Initiatives

BB is well aware of the environmental degradation situation as mentioned above and has already given time to time directions to all scheduled banks. Commercial Banks are now required to ensure necessary measures to protect environmental pollution while financing a new project or providing working capital to the existing enterprises. Banks have been advised to facilitate their clients with utmost care in opening Letter of Credit (L/C) for installation of Effluent Treatment Plant (ETP) in the industrial units. Banks have been advised to finance in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field under refinance programme of BB. A comprehensive guidelines on Corporate Social Responsibility (CSR) has been issued where banks have been asked to concentrate hard on linking CSR at their highest corporate level for ingraining environmentally and socially responsible practices and engaging with borrowers in scrutiny of the environmental and social impacts. Banks have been brought under the purview of E-commerce with a view to providing the customers with online-banking facilities covering payments of utility bills, money transfer and transactions in local currency through internet as well. Considering the adverse effects of Climate Change, banks have been advised to be cautious about the adverse impact of natural calamities and encourage the farmers to cultivate salinity resistant crops in the salty areas, water resistant crops in the water locked and flood prone areas, drought resistant crops in the drought prone areas, using surface water instead of underground water for irrigation and also using organic fertilizer, insecticides by natural means instead of using chemical fertilizer and pesticides.

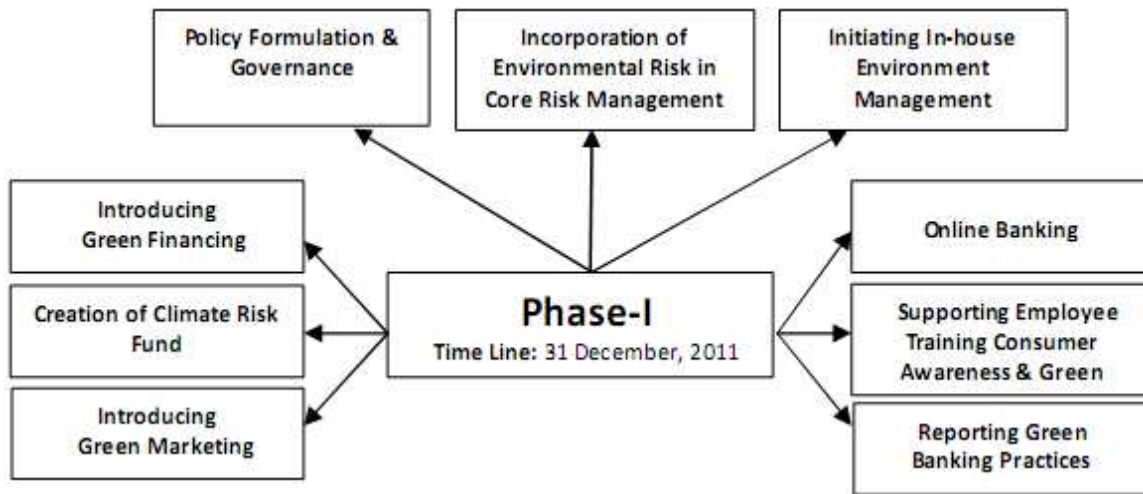
4.3.2. Adopting Green Banking Policy

Now it is the high time for the banks to adopt a comprehensive Green Banking Policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices.

With a view to developing green banking practices in the country, an indicative Green Banking Policy and Strategy framework has been developed for the banks in the following manner:

Green Banking Policy needs to be covered through time frame work which will be segregated into 3 phases.

5. Phase-I



Source: Bangladesh Bank, BRPD circular NO 02, 2011

Figure 1. First Phase of implementing green banking.

Banks are to develop green banking policies and show general commitment on environment through in-house performance. The time lining for the actions to be taken under Phase-I should not exceed December 31, 2011.

5.1. Policy Formulation and Governance

Bank shall formulate and adopt broad environmental or Green Banking policy and strategy approved by their Board of Directors. A high powered Committee comprises of directors from the Board in case of scheduled Bangladeshi Banks and a high powered committee comprises Regional Chief of Global Office and members from the top management including CEO in case of Foreign Banks should be responsible for reviewing the banks environmental policies, strategies and program. Bank shall approve a considerable fund in their annual budget allocation for green banking.

Banks are required to establish a separate Green Banking Unit or Cell having the responsibility of designing, evaluating and administering related green banking issues of the bank. A senior executive should be assigned with the responsibility of heading the unit. The unit will report to the high powered committee time to time.

5.2. Incorporation of Environmental Risk in CRM

Banks shall comply with the instructions stipulated in the detailed guidelines on Environmental Risk Management (ERM) in consideration of a part of the Green Banking Policy. Bank shall incorporate Environmental and Climate Change Risk as part of the existing credit risk methodology prescribed to assess a prospective borrower. This will include integrating environmental risks in the checklists, audit guidelines and reporting formats. All of this will help

mainstream Environmental Risk that cover possible sources of Environmental Risk such as Land use, Climate change related events (cyclone, drought), animal diseases/pathogens such as avian influenza, solid waste including waste feed, animal waste, carcasses, sediments, wastewater discharges, hazardous materials, etc will be reviewed under Environmental Due Diligence (EDD) checklists.

5.3. Initiating In-house Environment Management

Banks shall prepare an inventory of the consumption of water, paper, electricity, energy etc. by its offices and branches in different places. Then it should take measures to save electricity, water and paper consumption. A 'Green Office Guide' or at least a set of general instructions should be circulated to the employees for efficient use of electricity, water, paper and reuse of equipments. In place of relying on printed documents, online communication should be extensively used (where possible) for office management and make sure that the printers are defaulted to duplex for double-side printing to save papers. Banks may apply Ecofont in printing to reduce use of ink, use scrap paper as notepads and avoid disposable cups/glasses to become more eco- friendly. Installation of energy efficient electronic equipments and automatic shutdown of computers, fans, lights, air coolers etc. will help reducing electricity consumption. Energy saving bulbs should replace normal bulbs in branches/offices of the banks. Banks should make plan to use solar energy at their premises to save electricity. Bank should take steps to save energy from corporate business travel and encourage employees to purchase energy efficient cars (that consume less fuel) can reduce gas and petroleum consumption.

5.4. Introducing Green Finance

Eco friendly business activities and energy efficient industries will be given preference in financing by bank. Environmental infrastructure such as renewable energy project, clean water supply project, wastewater treatment plant, solid & hazardous waste disposal plant, bio-gas plant, bio-fertilizer plant should be encouraged and financed by bank. Consumer loan programs may be applied for promoting environmental practices among clients.

5.5. Creation of Climate Risk Fund

Bank should finance the economic activities of the flood, cyclone and drought prone areas at the regular interest rate without charging additional risk premium. However, banks should assess their environmental risks for financing the sectors in different areas for creating a Climate Change Risk Fund. This will be used in case of emergency. The bank would ensure regular financing flows in these vulnerable areas and sectors. The fund could be created as part of banks' CSR expenses.

5.6. Introducing Green Marketing

Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. It refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or

packaged in an environmentally friendly way.

Banks should use environmental causes for marketing their services to consumer. Green marketing is expected to help awareness development among common people.

5.7. Online Banking

Online banking is the practice of making bank transactions or paying bills via the Internet on a secure website of the respective bank that allows the customers to make deposits, withdrawals and pay bills.

Banks should give more emphasis to make the easiest way to help environment by eliminating paper waste, saving gas and carbon emission, reducing printing costs and postage expenses.

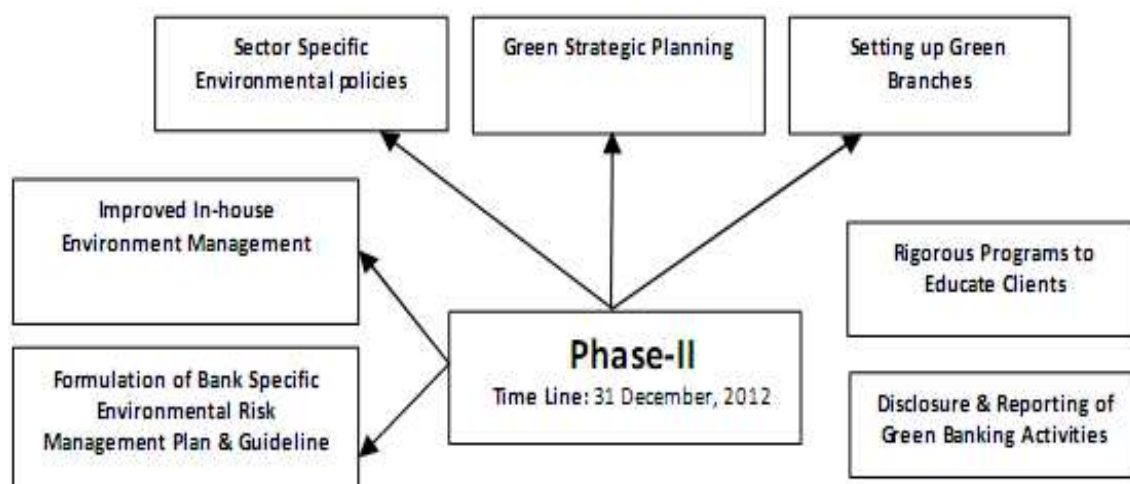
5.8. Supporting Employee Training, Consumer Awareness and Green Event

Employee awareness development and training on environmental and social risk and the relevant issues should be a continuous process as part of the bank's Human Resource Development. Awareness development among consumers and clients would be a continuous job of a bank under its public relation department.

5.9. Disclosure and Reporting of Green Banking Activities

Banks shall report on the initiatives/practices to BB and disclose in their respective websites.

6. Phase-II



Source: Bangladesh Bank, BRPD circular NO 02, 2011

Figure 2. 2nd Phase of implementing green banking.

The time lining for the actions to be taken under Phase-II should not exceed December 31, 2012.

6.1. Sector Specific Environmental Policies

Banks need to formulate strategies to design specific policies for different environmental sensitive sectors such as

Agriculture, Agri-business (Poultry & Dairy), Agro farming, Leather(Tannery), Fisheries, Textile and Apparels, Renewable Energy, Pulp and Paper, Sugar and distilleries, Construction and Housing, Engineering and Basic Metal, Chemicals (Fertilizers, Pesticides and Pharmaceuticals), Rubber and Plastic Industry, Hospital/Clinic, Chemical Trading, Brick Manufacturing, Ship breaking etc.

6.2. Green Strategic Planning

A bank should determine green targets to be attained through strategic planning. Bank should determine a set of achievable targets and strategies, and disclose these in their annual reports and websites for green financing and in-house environment management as well. For in-house environment management, the target areas should cover attaining energy efficiency in the form of the use of renewable energy, reduction of electricity, gas, and petrol consumption, reduction of Green House Gas(GHG) emissions, issuance of e-statements, electronic bill pay, saving papers, environment friendly office buildings etc. For Green Financing, the target areas should cover reducing loans for certain environmentally harmful activities, attaining a particular percentage of environmental loans as percentage of total, introducing eco-friendly financial products etc.

6.3. Setting up Green Branches

A Green Branch should be featured by the provision of the maximum use of natural light, use of renewable energy, use of energy saving bulbs and other equipments, reduced water and electricity use, use of recycled water etc. Such a branch of a bank would be specifically designated as a ‘Green Branch’. A Green Branch will be entitled to display a special logo approved by Bangladesh Bank. The criteria for certification of a ‘Green Branch’ will be circulated by Bangladesh Bank in due course of time.

6.4. Improved In-House Environment Management

Strategy of reuse, recycling of materials and equipments, and source reduction and waste minimization strategy should be part of in-house environmental management in Phase-II.

Banks should increasingly rely on virtual meeting through the use of video conferencing in lieu of physical travel which would help saving cost and energy.

6.5. Formulation of Bank Specific Environmental Risk Management Plan and Guidelines

A bank should develop and follow an environmental risk management manual or guidelines in their assessment and monitoring of project and working capital loans. In addition to the compliance of national regulation the bank may set internationally accepted higher environmental standards. In this connection, Green initiatives by a group of banks will not only be effective but will also offer competitive advantage. Bank alliances may prepare standard and guidelines for themselves for improving Green Banking practices.

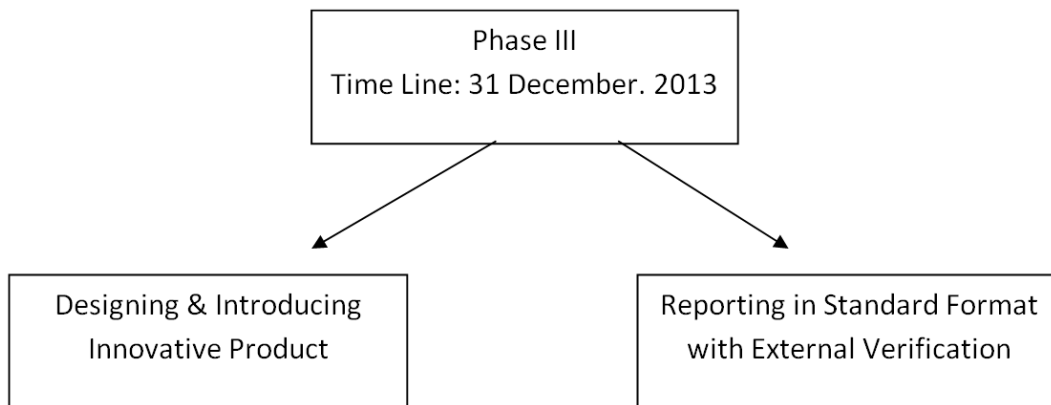
6.6. Rigorous Programs to Educate Clients

Clients and business houses should be encouraged and influenced to comply with the environmental regulations and undertake resource efficient and environmental activities. Banks should introduce rigorous programs to educate clients.

6.7. Disclosure and Reporting of Green Banking Activities

Banks should start publishing independent Green Banking and Sustainability reports showing past performances, current activities, and future initiatives. Updated and detailed information about banks environmental activities and performances of major clients should be disclosed.

7. Phase-III



Source: Bangladesh Bank, BRPD circular NO 02, 2011

Figure 3. 3rd Phase of implementing green banking.

A system of Environmental Management should be in place in a bank before the initiation of the activities of Phase-III. Banks are expected to address the whole eco-system through environment friendly initiatives and introducing innovative products. Standard environmental reporting with external verification should be part of the phase. The time lining for the actions to be taken under Phase-III should not

exceed December 31, 2013.

7.1. Designing and Introducing Innovative Products

Alongside avoiding negative impacts on environment through banking activities, banks are expected to introduce environment friendly innovative green products to address the core environmental challenges of the country.

7.2. Reporting in Standard Format with External Verification

Banks should publish independent Green Annual Report following internationally accepted format like Global Reporting Initiatives (GRI) targeting their stakeholders. There should be arrangement for verification of these publications by an independent agency or acceptable third party.

7.3. Reporting Green Banking Practices on Quarterly Basis

Banks shall report their initiatives/activities under the said program to the Department of Off-site Supervision of Bangladesh Bank on quarterly basis. Banks shall submit their first quarterly report on June 30, 2011 basis within July 15, 2011 and similarly they will be required to continue to submit reports on the subsequent quarters within the next 15 days of the respective quarter end.

Banks shall keep their annual report and websites updated with the disclosures on green banking initiatives/activities.

5. The compliant banks practicing Green Banking will have the following preferential treatments:

(i)BB will award points to banks on Management component while computing CAMELS rating where there will ultimately be a positive impact on overall rating of a bank.

(ii)BB will declare the names of the Top Ten Banks for their overall performance in green banking activities in the BB websites.

(iii)BB will actively consider green banking activities/practices of a bank while according permission for opening new bank branch.

7.4. Being Ethical and Environment Friendly

Ethical banks: A green bank must be ethically motivated as a social, alternative or sustainable bank concerned with social and environmental impacts of its investments and other matters. Ethical banks are the larger social movement towards social and environmental responsibility in the financial sector. This movement includes ethical investment, socially responsible investment, rendering corporate social responsibility. Thus it shows its separate quality and entity other than the banks not abiding by the special rules. Ethical banks, sometimes, work with lesser profit than the traditional ones. They do not always run on the basis of their interest, rather they think about the overall sustainable growth and development of a country.

Features: In general, conventional banks are based on security and profitability, and as such they are reluctant to broaden the scope of their external ethical policies. Now the theme has changed because of international propaganda on green banking activities. Especially the Islamic banks and financial institutions introduced and rendered green banking system and CSR activities in a big way. Green banks must abide by ethical obligations which require an objective way to determine ethical values by exploring their responsibilities towards mankind. Banks should change their behavior in line

with socio-economic situations, improving environmental conditions in their own arena.

Broad objective of green banking is to use resources with responsibility and giving priority to environment and society. It is not just another corporate social responsibility (CSR) activity rather all out effort to keep this world livable without much damage.

- To foster green banking practices in the country, BB formulated the 'Green Banking Policy and Strategy framework' and 'Environmental Risk Management Guidelines' in a consultative manner. Many banks are now financing environmental friendly projects.
- BB has introduced a refinance scheme worth BDT 2 billion (USD 25 million) to refinance loans to effluent treatment plants (ETPs), solar panels, bio-gas plants and HHK technology in brick making industry at a 5% interest rate provided by banks and Non-Bank Financial Institutions.
- So far, BB refinanced for BDT 132.4 million (USD 1.7 million) in Bio- gas, BDT 60 million (USD 0.75 million) in Solar Home System and BDT 18.8 million (USD 0.24 million) in solar driven irrigation pump, BDT 27 million (USD 0.34 million) in ETP, BDT 20 million (USD 0.25 million) in Brick Making Industry (HHK Technology) and BDT 248.8 million (USD 3.11 million) in Solar PV module assembling Plant a total of BDT 506.9 million (USD 6.34 million).
- BB has installed a 20-kilowatt solar panel on the rooftop of its own building.
- BB started Automated Clearing House, Online CIB, e-Banking, e-Commerce, Mobile Banking, e-Tendering, e-Recruitment, e-Noting etc. in order to reduce unnecessary wastage of papers.
- Preferential treatments for environmentally compliant banks have been taken into consideration. BB will award points to banks on the criteria of 'management' while computing CAMELS rating where there will ultimately be a positive impact on overall rating of a bank.
- BB will actively consider green banking activities/practices of a bank while according permission for opening new bank branches. SME/Agriculture bank branches to be established/opened after 20 June 2011 will be required to be eco-friendly ensuring that a solar panel is installed at the branch.
- BB will declare the names of the top ten banks for their overall performance in green banking activities on the BB website.

Refinance Scheme

BB is providing to the lending banks refinance at five percent interest per annum, from a taka 2.0

(two) billion refinance window accessible against financing for revolving eco-friendly or green initiatives like installation of bio mass based, solar and other renewable energy generation units, effluent treatment plants, adoption of new energy efficient output processes and so forth.

7.5. Bangladesh Bank's In-house green activities

BB is concentrating on its in-house green activities through the most effective utilization of resources (power, gas, fuel, water, paper etc.).

- With a move towards encouraging green banking in Bangladesh, Bangladesh Bank
- installed 8 kilowatt solar power system on its rooftop in March 2010. This is now being
- extended to 20 kilowatt to cover more areas.
- LED bulbs are being installed to bring significant energy efficiency.
- As part of central bank automation, Bangladesh Automated Clearing House (BACH),
- Credit Information Bureau online, Enterprise Resources Planning (ERP), Enterprise Data Warehouse (EDW), e-tendering, and e-recruitment have come into reality. National
- Payment is in live operation since 2012. Southeast, Pubali & BDBL are now connected
- with NPSB and doing live transaction.
- The overall banking functions of Bangladesh Bank (including all departments and branch offices relating to banking functions) have been brought under automation by implementing the Banking Application Package that includes Core Banking Module, Treasury Management Module and Market Infrastructure module.
- All the departments of Bangladesh Bank Head Office and its nine branch offices have

- already been brought under a computer network (LAN/WAN), connecting more than
- 3,800 PCs.
- Environmentally harmful incineration of non re-issuable damaged bank notes is being
- phased out, resorting instead to shredding.
- Online salary and other necessary advice, personal file updated information, office orders, notification online balance statements for all employees of BB, electronic passes for visitors are instantly available.
- A recent initiative has been taken to convert the 30-storied building of Bangladesh Bank into a Green Building with the modern facilities of rain water harvesting, waste water recycling and motion sensor energy efficient bulbs supported by window based solar panels.

7.6. 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.

7.6.1. Environmental Adoption

The negative impact of climate change already started though banks contribute little to global warming. Banks 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.

Table 1. Number of banks ingrainning CSRand 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 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	1	1	4	3

Source: Review of CSR initiatives of banks- 2012, *Bangladesh Bank* July 2013

From the above data it is observed that most of the PCBs and FCBs maintain environmental related issue within the bank as well as outside the banks so that the environmental hazard can be reduced. Though SCBs and SDBs cover most of the people of Bangladesh urban and rural area, they are yet to adopt green banking practices.

7.6.2. Online Banking

Online banking is the developing concept in young and whole over the country. Online banking pretty convenient to not 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.

Table 2. 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

According to table 2 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-owned Commercial Banks (SCBs) and State-owned Specialized Development Banks (SDBs) are not aware about GB policy of Bangladesh Bank.

7.6.3. Mobile Banking

Mobile Banking is a Banking process without bank branch

Table 3. Mobile Banking coverage.

Type/category of banks	Number of banks	Introduced of Mobile banking	% banks with Mobile Banking facility
SCBs	4	0	0
PCBs	30	10	50
FCBs	9	0	0
SDBs	4	0	0
Total	47	10	2.13%

Source: Annual reports of the banks, 2011

In mobile banking sector only PCBs introduce the system basically Brac Bank (bKash) and Duch-Bangla Bank cover most of the population under this system.

No SCBs, SDBs and FCBs have any contribution in mobile banking.

7.6.4. Green Financing

According to Bangladesh Bank guideline commercial

Table 4. Category wise contribution of banks towards green financing in Million tk.

	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

From the above table it is observed that in green financing sector PCBs investment is Tk. 127.6 billion, SCBs Tk. 11.4 billion, FCBs Tk. 20.6 billion and SDBs Tk. 43.8 million respectively, it easily define that PCBs financing is much more higher than others.

8. Findings, Recommendations & Conclusion

8.1. Findings

- Most of the PCBs and FCBS adopted the policy except SCBs and SDBs who have not taken such steps yet.
- Online banking and ATM facilities of SCBs and SDBs are very poor, BB need necessary steps for that regards.
- Shrink giving loans to environmentally harmful projects;
- Make sure the necessary environmental compliance factors before lending a loan/investment;

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.

banks undertook an initiative to go green by paying low interest loans to the customers who would like to setup solar equipments, 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.

- Bangladesh Bank not only gives the policy but also provide technical supports for GB adoption.
- GB motivates the banking that reduces use of paper which Create brand image;
- Create awareness amongst the stakeholders about the environment as well as environmental friendly business practices i.e. solar equipment, ETP, Bio-gas Plant, Hybrid Hoffman Kiln (HHK) etc.

8.2. Recommendations

- Bangladesh Bank must monitor the green banking practices of the banks.
- Government should encourage and try to create awareness about green banking among mass people.
- Coordination among concerned authorities is a must.
- Borrowers must be encouraged about going green.
- Green banking guidelines must be applied in an efficient manner.

- Sharing knowledge and technical know-how within peer groups could be of immense help.
- A database can be developed for technical assistance.
- Authority must try to develop more effective issues to make banking sector greener and more ethical.

8.3. Conclusion

Green Banking has become a buzz word in today's banking world. For going green products, electronic compliances, motor vehicles etc. for eco friendly atmosphere. Automation and improved in house green activities, required and rigorous training program for top/mid/lower level management and at the same time clients as well need to be carried on. Board/Competent authority should be aware and updated of the current green banking activities and development. Green Banking now is not only limited to awareness but also in practice. It is now expected from all scheduled banks that they would not only allocate budget for green finance, green event or green projects under CSR activities, green marketing and capacity building but ensure the efficient utilization of budget allocation. Finally we can say that going green should be the motto of all commercial banks.

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