



An Assessment of Green Banking Practices at Private Commercial Banks (PCBs) and State Owned Commercial Banks (SOCs) in Bangladesh

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Abstract

Green Banking has been defined as promoting paperless workplace, environmental-friendly practices and of course reducing carbon footprint from banking practices. The prime objective of the study is to explore the current scenario of green banking practices among Private Commercial Banks (PCBs) and State Owned Commercial Banks (SOCs) in Bangladesh. This study is basically based on secondary data and extensive literature review. The secondary data has been collected from internet, annual reports of private commercial banks and state owned commercial banks, Bangladesh Bank annual reports and reviews etc. The Study initially explored the Bangladesh Bank's initiatives regarding green banking practices for Banks and Financial Institutions (FIs). The study also tried to give a concrete picture of different green banking practices done by overall banking industry in Bangladesh from the year 2014-2017. The sample size of the study is six private commercial banks (POCs) and six state owned commercial banks (SOCBs) which were chosen through convenient and purposive sampling technique. The study provided a comparison on green banking practices of top six Private commercial Banks (POCs) such as (DBBL, Bank Asia, IBBL, SIBL, IFIC, ABBL) with six state owned commercial banks (SOCBs) such as (Sonal Bank Ltd., Janata Bank Ltd, Agrani Bank Ltd, Rupali Bank Ltd, BDBL, Basic

Bank Ltd). Published data has been collected through an intensive desk research. The collected data were analyzed in the perspective of progress and adequacy of green banking activities in private commercial banks and state owned commercial banks operating in Bangladesh. Microsoft office package especially MS-excel has been used mostly for summarizing and illustrating the collected data systematically. It is found from the study that private commercial banks mostly abide by the rules and regulations of green banking practices imposed by Bangladesh Bank and PCBs have been implementing green banking practices in large volume in every angle than that of state owned commercial banks in Bangladesh. Some of the recommendations were made for the policy implementation.

Keywords : Green Banking practices, PCBs (Private Commercial Banks), SOCBs (State Owned Commercial Banks).

1.0 Introduction

The term 'Green' has been considered as a broad range of social, ethical, and environmental practices. Though, for the purpose of the study it tends to look into environmental aspect (Bai 2011). Green Banking has been defined as means promoting paperless workplace, environmental-friendly practices and of course reducing carbon footprint from banking practices. This could be done in many ways such as by using online banking instead of branch banking, paying bills online instead of mailing them, opening up CDs and money market accounts at online banks instead of large multi-branch banks or finding the local bank in your area that is taking the biggest steps to support local initiatives (Sharma, Sarika et al. 2014). The main objective of Green Banking is to ensure the use of organizational resources in favor of environment and society. Green Banking as a concept is proactive and smart way of thinking with a vision for future sustainability of our earth (Islam and Das 2013). Customer demands and greater environmental awareness are driving force for a number of financial institutions to go green (Biswas 2011). The central bank of Bangladesh has undertaken constructive steps to make green Banking a reality. According to Bangladesh Bank, "still now people of our country are not aware of our green financing fund. They even do not know from where it is available. This is mainly responsible for the poor disbursement,"(www.thefinancialexpress-

bd.com). This study has been undertaken to explore the current scenario of green banking practices among private commercial banks (pcbs) and state owned commercial banks (socbs) in Bangladesh.

1.1 Objectives of the Study

The prime objective of the study is to explore the current scenario of green banking practices among Private Commercial Banks (PCBs) and State Owned Commercial Banks (SOCs) in Bangladesh. In addition the study is going to fulfill the following sub-objectives:

- a) To explore Bangladesh Bank (BB) initiatives regarding green banking practices for Banks and Financial Institutions (FIs)
- b) To examine Bangladesh Bank's green banking policy implementation by all schedule banks operating in Bangladesh.
- c) To make a comparison on green banking practices among Private Commercial Banks (PCBs) and State Owned Commercial Banks (SOCs) in Bangladesh.

2.0 Literature Review

The Green initiatives taken by Banks or a concept of using all of the banks resources with responsibility and care, avoiding waste and giving priority to choices that take sustainability into account. This concept of Green Banking will be mutually beneficial to the consumers, banks, industries and the economy as a whole (Sharma, Sarika et al. 2014). Green Banking allows banks mobilize money, invest safely the money to productive activities free from deterioration of standard of living and environment. It facilitates and promotes the achievement of sustainable development of banking and finance. Thus banks can act as an ethical organization by disbursement of loans only to those organizations, which have environmental concerns ((Biswas 2011)). From a broader perspectives, banks can be green through bringing improvement in six main spheres: investment management, deposit management, housekeeping, recruitment and development of human capital, corporate social responsibility, and consciousness of the clients and general mass (Rahman, Ahsan et al. 2013). Green Banking requires that the financial institutions should encourage projects which take care: (i) sustainable development and use of renewable natural resources, (ii) protection

of human health, bio-diversity, efficient production and use of energy, and (iii) pollution prevention and waste minimization, pollution controls (Biswas 2011). There can be a number of specific tools including but not limited to Carbon Credit business, Green Credit and Investment, Green Mortgages, Green Credit Cards, Green Deposit Accounts, Mobile Banking, Online Banking, Waste Management, and Roof Gardening (Islam and Das 2013). Commercial banks are now realizing that Green Banking will improve its brand image to its market and especially among the environmentally conscious citizens. Banks are also adopting Green Banking to generate money, avoiding legal pressure, satisfying various stakeholders and also to protect the brand value (Ahmad, Zayed et al. 2013). The central Bank of Bangladesh has been trying to implement innovative, technology driven, environment and low cost banking practices to ensure access to financial services for all, many initiatives have been taken such as digitalization of the financial sector, financing of trade, channeling liquidity into productive and supply augmenting investments including Green Banking and CSR activities, agriculture, SMEs, expected to lead an efficient and inclusive growth (Rahman 2012). Banking industry is going under computerization, networking and offering of on-line banking is naturally gaining momentum development in this sector (Biswas 2011). Many studies revealed that green initiatives by banks can attract more customers (Chang and Fong 2010). Now-a-days, increasing number of customers of many conventional banks request for green financial products and investment opportunities and many of them also want to be familiar as “doing good” to environmental concerns among Citizens. Therefore, mainstream banks do not want to miss out the “greening” of customer preferences (Millat, K. M., et al., 2013). Customers’ knowledge towards Green Banking that is still at the average level. The causes of the lack of the customer knowledge level are the customer low interest in reading, the customer less concern on the environmental issue (Putri, Amrina et al. 2017). Through green banking each businessman (owner of businesses) will contribute a lot to the environment and make this earth a better place to live (Ullah 2013).

3.0 Research methodology

The prime objective of the study is to explore the current scenario of green banking practices among Private Commercial Banks (PCBs) and State Owned Commercial Banks (SOCs) in Bangladesh. This study is basically based on secondary data and extensive literature review. The secondary data has been collected from internet, annual reports of private commercial banks and state owned commercial banks, Bangladesh Bank annual reports and reviews etc. Beside these, different journals, articles, newspapers and, working papers have been pursued to enrich the literature of the study. The population of the study is the whole banking industry in Bangladesh. The sample size of the study is six private commercial banks (POCs) and six state owned commercial banks (SOCBs) which were chosen through convenient and purposive sampling technique. To find out various green banking practices nationally the websites of top banks have been utilized and studied. The study initially explored the Bangladesh Banks initiatives regarding green banking practices for Banks and Financial Institutions (FIs). It also tried to give a concrete picture of different green banking practices done by overall banking industry in Bangladesh from the year 2014-2017. The study provided a comparison on green banking practices of top six private commercial banks (POCs) such as (DBBL, Bank Asia, IBBL, SIBL, IFIC, ABBL) with six state owned commercial banks (SOCBs) such as (Sonali Bank Ltd., Janata, Agrani, Rupali, BDBL, Basic Bank). Published data has been collected through an intensive desk research. The collected data were analyzed and a comparison were made among private commercial banks and state owned commercial banks regarding the progress and adequacy of green banking activities existing in banking sectors of Bangladesh. For analysis and summarizing of data simple statistical tools such as Microsoft office package specially MS-excel have been used.

4.0 Findings and Discussion

4.1 A brief picture of Bangladesh Banks initiatives regarding green banking practices for Banks and Financial Institutions (FIs)

Table-01: Bangladesh Bank Initiatives

| Incorporation year | Initiatives for banks and Financial institution |
|--------------------|--|
| Circular 01/2011 | Environmental Risk Management Guidelines for banks and FIs |
| Circular 02/2011 | Policy guidelines for Green Banking for Banks |
| In 2012 | Introduced a uniform reporting format for reporting green banking activities in a structured manner for banks |
| In 2012 | “Financing Brick Kiln Efficiency Improvement Project”, was established in BB supported by ADB with a view to building environment friendly brick fields |
| In 2013 | ‘Policy Guidelines for Green Banking’ to the FIs |
| Circular 04/2014 | Minimum target of direct green finance is set at 5 percent of the total loan disbursement/ investment from January 2016 |
| In September 2014 | BB introduced a refinance scheme funded by liquidity of Shariah based banks and FIs for direct green finance of the said banks and FIs |
| Circular 04/2015 | Banks and FIs shall allocate at least 10 percent of their Corporate Social Responsibility budget for Climate Risk Fund & at a reduced rate of interest. |
| Circular 18/2015 | An Environmental and Social Management Framework (ESMF) has been developed to ensure the sustainability of financing the Financial Sector Support Project (FSSP) financed by the International Development Association (IDA) |
| In 2016 | BB has announced its intention to create Green Transformation Fund (GTF) |
| In 2016 | GTF fund will be used to transformation of green economy in the country |
| Circular 01/2016 | Banks and 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 |
| Circular 03/2016 | All the banks & FIs must ensure the establishment and activeness of Effluent Treatment Plant (ETP) during financing to all possible clients |
| Circular 04/2016 | Incorporated the evaluation of Environmental and Social Risks in the process of Credit Risk Management |
| Circular 02/2017 | Guidelines on ESRM for Banks and Financial Institutions in Bangladesh along with an Excel-based Risk Rating Model have been issued. |
| Circular 03/2017. | The green product line has been enhanced to 51 under 08 categories. |
| Circular 04/2017 | a comprehensive list of product/initiatives of Green Finance for banks and FIs has been circulated in September 2017 |
| Circular 01/2018 | A new uniform reporting format of Quarterly Review Report on Green Banking Activities has been circulated for Banks & FIs in January 2018 |

Source : Quarterly Review Report on Green Banking Activities of Banks & Financial Institutions and Green Refinance Activities of Bangladesh Bank, April-June, 2018

4.2 Policy Formulation and Governance

All scheduled banks have formed their own Green Banking Policy Guidelines except Shimanto Bank Ltd. All scheduled banks have formed their own Green Office Guide. All the FIs except Lankan Alliance Finance Ltd (Scheduled from June 20, 2017 through DFIM Circular no 03/2017) have also formed their own Green Banking Policy Guidelines (Bank B.2018).

4.2.1 Green Governance

Table 2 show that in response to the policy circular of BB, 56 banks and 34 FIs of the country formulated environmental policies; created their own guide of green activities of the bank and all scheduled bank and FIs formed Sustainable unite abolishing the green banking and CSR unit as of June 2018. The finding shows that BB’s initiatives have brought remarkable change in the awareness and approach of banking and FIs.

Table-02: Green governance

| Banks/FIs | Policy Formulation | Formation Of green office guide | Formation of Sustainable unit |
|-----------|--------------------|---------------------------------|-------------------------------|
| | No of Banks/FIs | No of Banks/FIs | No of Banks/FIs |
| SOCBs | 6 | 6 | 6 |
| SDBs | 2 | 2 | 2 |

| | | | |
|-------|----|----|----|
| PCBs | 39 | 39 | 40 |
| FCBs | 9 | 9 | 9 |
| FIs | 33 | 33 | 34 |
| Total | 89 | 89 | 91 |
| | | | |

Source : Quarterly Review Report on Green Banking Activities, April-June, 2018, Bangladesh Bank

4.3 Utilization of Fund for Green Banking Activities

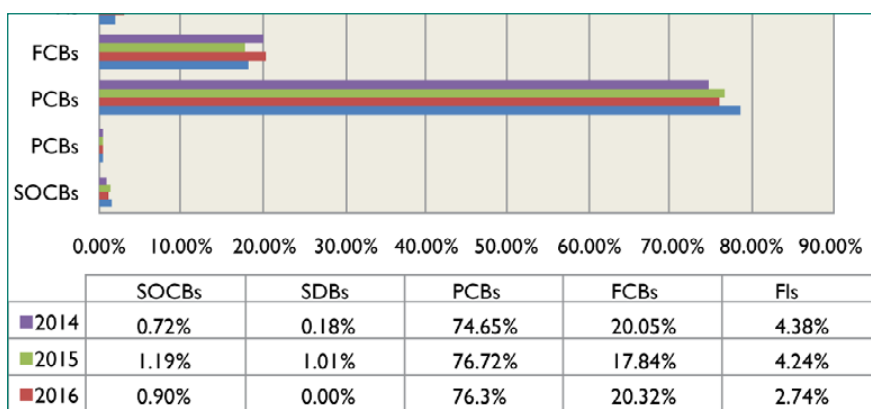


Chart 1 : comparative green fund utilization

Source : Review of Green Banking Activities of Banks & FI of Bangladesh, Bangladesh Bank July-September, (2014-2017).

Total amount of utilization from green fund was BDT 139,745.64 million within PCBs contribute 74.65% in the FY17 (July -sept). In the green fund utilization PCBs contribute 76.72%, 76.03% and 78.71% respectively in FY16, FY15 and FY14. PCBs show a bit upward trend in utilizing green fund. Whereas all other banks and FIs quarterly shift from 2014(July-Sept) to 2017(July-Sept) evidences a downward in case of utilization green fund.

4.3.1 Green Finance trend (a sector wise contribution)

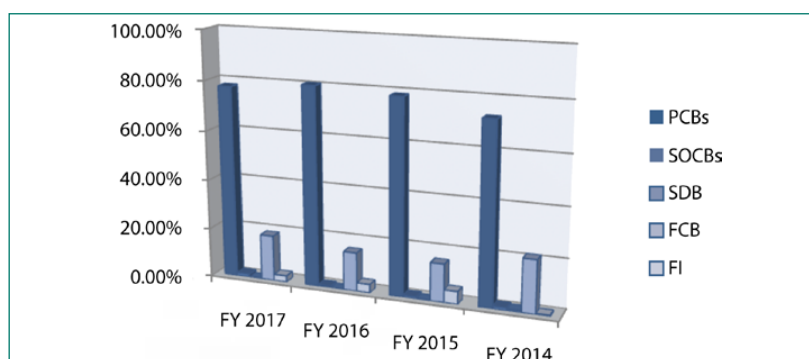


Chart 2: Green Finance trend

Source : Sustainable finance department, Bangladesh bank.

Total green finance in FY17, BDT 548616.6 (million) by 50 banks and FIs within which PCBs contribute 77.7% (425944.5). Sector wise contribution from 2014(july-sept) to 2017(july-sept) of the total green finance shows that the PCBs played the main role in 2017 77.7% followed by FCBs 18.5%, FIs 2.5% .In FY16 80.40% and consecutively 78.60%, 78.2% in 2015 and 2014. PCBs financing provide a bit downward picture in 2017 but comparatively better than other banks and FIs. This chart represents that from the early year of GB practice PCBs moving toward going green.

4.4 Environmental Risk Rating (ERR)

Environmental Risk can be regarded as a facilitated element of credit risk because of its connectivity with environmental condition and climate change. ERR is applicable for the projects as well as the credit facility that fall above the threshold limit. All bank have conducted ERR in FY17 (Excluding Shimanto Bank Ltd). Total amount of BDT 1312592.17 million disbursed in 17201 rated projects out of 19843 rated projects in FY17 .

Table-03 : ERR activities of Banks/FIs

| Type of Bank/FI | No. of Projects Rated | No. of Rated Projects Financed | Amount disbursed in Rated projects (in million taka) |
|-----------------|-----------------------|--------------------------------|--|
| SOCBs (06) | 378 | 250 | 8,853 |
| SDBs (02) | 0 | 2 | 514 |
| PCBs (39) | 18,244 | 15,342 | 1,242,745 |
| FCBs (09) | 549 | 470 | 36,623 |
| Total | 19,171 | 16,064 | 1,288,734.33 |
| FIs (33) | 672 | 1,137 | 23,857.84 |
| Grand Total | 19,843 | 17,201 | 1,312,592.17 |

Source : Sustainable finance department, BB.(July-September) 2017

4.4.1 Yearly comparison of Environmental Risk Rating

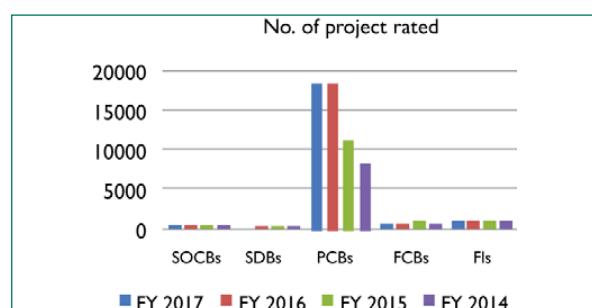


Chart 3: Projects Rated

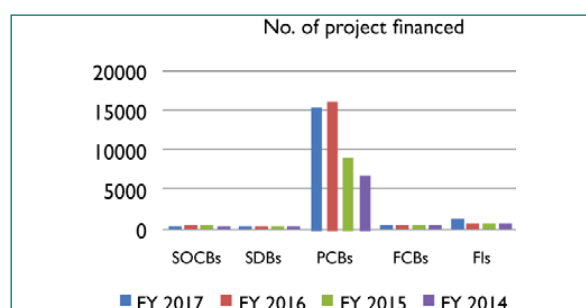


Chart 4: Projects Financed

Source : Sustainable finance department, BB. July-September, (2017-2014)

4.5 Paperless banking and Energy Efficiency (green service)

Paperless banking such as online banking, internet banking, mobile banking, ATM banking, etc., plays crucial role in promoting GB. Saving paper means saving trees, costs, and avoiding carbon footprint, saving the planet and improving profit. Table ...shows that although 56 Banks out of 57 have at least one online branch and 46 banks have introduced internet banking facility up to June, 2018. Steady situation 87.35% has been observed in the expansion of online branches. Internet banking facility has also been observed a steady condition 2.19%.PCBs played a key role in automation toward green banking ,followed by FCBs. SOCBs have a strong point that they have wide range of branches cover across the country and most of them are online branches. On the other hand they are in lag in the context of no. accounts facilitated with internet banking and using internet banking (0.00%).

Table-04 :Automation toward Green Banking

| Automation toward Green Banking | | | | | | |
|---------------------------------|-----------------------|-----------------------------------|----------------------|-----------------------|---|--------------------------------------|
| Type of Bank/FI | No. of Total Branches | No. of Branches (online coverage) | % of Online Branches | No. of Total Accounts | No. of Accounts facilitated with Internet Banking | % of Accounts using Internet Banking |
| SOCBs (06) | 3696 | 3,670 | 99.30% | 38,278,290 | 0 | 0.00% |

| | | | | | | |
|-------------|--------|----------|---------|------------|-----------|--------|
| SDBs (02) | 1412 | 335 | 23.73% | 11,966,273 | 0 | 0.00% |
| PCBs (40) | 4882 | 4,713.00 | 96.54% | 47,055,459 | 1,963,551 | 4.17% |
| FCBs (09) | 68 | 68 | 100.00% | 379,460 | 170,948 | 45.05% |
| Grand Total | 10,058 | 8,786 | 87.35% | 97,679,482 | 2,134,499 | 2.19% |

Source : Sustainable finance department, BB (April-June, 2018)

Table-05 : Internet and Mobile/SMS Banking (on September 30, 2017)

| Internet and Mobile/SMS Banking (on September 30, 2017) | | | | | |
|---|----------------------------|---|---|--|--|
| Type of Bank | No. of Total Ac- counts | No. of Accounts facilitated with Internet Banking | % of Accounts facilitated with Internet Banking | No. of Accounts facilitated with Mobile/SMS Banking | % of Accounts facilitated with Mobile/SMS Banking |
| SOCBs (06) | 42,019,517 | 61 | 0.00% | 194,934 | 0.46% |
| SDBs (02) | 13,273,628 | 0 | 0.00% | 0 | 0.00% |
| PCBs (40) | 43,333,650 | 1,809,907 | 4.18% | 18,175,399 | 41.94% |
| FCBs (09) | 421,173 | 186,512 | 44.28% | 207,294 | 49.22% |
| Grand Total | 99,047,968 | 1,996,480 | 2.02% | 18,577,627 | 18.76% |

Source : Sustainable finance department, BB (April-June, 2017)

In promoting GB practices major focus on automation to reduce the carbon footprint, so considering on that PCBs approaches to GB are more steps forward compared to other banks and FIs. Table ... shows that green services that is Internet Banking, Mobile/SMS banking accounts facilitated most by FCBs (44.28% & 49.22%) followed by PCBs (4.18% & 41.94%) and almost 0.0% in SOCBs and SDBs. SOCBs almost 100% branches are online branches but facilitated account 0.00%. Total number of accounts holder (42,019,517) are comparatively higher than other banks and FIs within which a little bit accounts are facilitated with SMS/ Mobile Banking and Internet Banking. From these evidences it can be conclude that SOCBs a have strong policy and structure but less implementation toward GB practice .Whereas FCBs and PCBs are considered as pioneer in Internet and Mobile/SMS Banking.They try to provide continuous GB services and their customers are aware about their services evidence support that so, considering no. of Accounts facilitated with Internet Banking and Mobile/SMS Banking.

4.5.1 Energy efficiency in house environment management

Table-06: Energy efficiency in house environment management

| Type of Bank/FI | No. of Branches | No. of branches powered by Solar Energy | No. of ATM Booths | No. of ATM Booths powered by Solar Energy |
|-----------------|-----------------|---|-------------------|---|
| SOCBs (06) | 3696 | 71 | 204 | 2 |
| SDBs (02) | 1412 | 5 | 6 | 0 |
| PCBs (40) | 4882 | 461 | 6265 | 96 |
| FCBs (09) | 68 | 6 | 145 | 5 |
| Total | 10058 | 543 | 6620 | 103 |
| FIs (34) | 264 | 3 | - | - |
| Grand Total | 10322 | 546 | 6620 | 103 |

Source : Sustainable finance department, BB(April-June, 2018)

Green Banking policy has pursued the banks to establish branches powered by solar energy stood at 546 at the middle of the FY18 compared to the number of 500 at the end of FY17. No of ATM booths powered by solar powered by solar energy 103 at the middle of the FY18. PCBs provide the large amount of ATM services through the 6250 ATM Booths and 96 of them are powered by solar energy. SOCBs have less ATM booths and solar power branches and ATMs considering the number of branches in the context of PCBs.

4.6 Training, Development and Awareness

All the banks in the country have some sort of training arrangement for their employees. Most of the bank training institutes offer at least one session on GB in their training courses. However, banks mostly rely on BIBM and BBTAA for educating their employees. The awareness of GB is still limited in the head offices of the banks; most of the bankers in the rural areas do not have a clear understanding of the concept of GB. A few banks have initiatives for awareness development of consumers as well.

4.7 Green Banking practices in Private Commercial Banks operating in Bangladesh

Top Six (06) Private Commercial Banks (PCBs) are selected purposively among top twenty (20) banks in green service ranked by Bangladesh bank.

Table-07: PCBs green service facility and infrastructure

| Particulars | DBBL | Bank Asia | IBBL | SIBL | IFIC | ABBL |
|---|--|--|--|--|--|---|
| Online Banking Facilities | All 184 branches are online branches. | All 127 branches are online and installed solar panel in its 11 branches. | All 341 branches are online branches | All 155 branches are online | 120 branches within 141 branches are online. | All 105 branches are online |
| ATMs Services | Largest ATM network comprising 4,672 own ATMs and within 57 are solar powered. Introduced Fast Tracks (FT) for the first time in the country. DBBL have 780 Fast Track in the end of 2017. | 132 own ATMs, 63% transactions are done through ATMs | 621 own ATMs ATM card registering growth 14.32% which is 10.66% more than previous year. | 77 own ATMs, 4047 accounts facilitated with internet banking | 54 own ATM Booths. | 277 own ATMs , 3598 thousand transactions are done through ATMs |
| SMS/Mobile /Internet Banking Facilities | Mobile Banking customers 14,116,480, increase 37.05% compared to 2016. 18,426 POS Transaction | 79% accounts facilitated with Mobile/SMS-Banking, 13% are with Internet Banking. 212,977 customers getting E-statement | Introduced mCash service, 4 million clients have been registered in SMS Banking | 15911 accounts facilitated with Mobile/SMS banking | Q-Cash Member Banks. POS installed was 185 of which 95 merchant POS and 90 Branch POS. | 277 corer taka POS Transaction |
| Apps development | Introduced 'Rocket' App | Introduced "Bank Asia SMART APP". Introduced Office Automation App "My Family" | Introduced mobile app "ismart". | Introduced mobile app "SIBL NOW" | No such information has been found | Introduce mobile App "AB Direct". |
| Financing for training on green banking and sustainable development | Tk.8.72 million for marketing, training and capacity building in respect of sustainable development issue. | No such information has been found | 607 green training programs arranged. | 4 Programs Exclusively conducted for Green Banking | Conducted 5 training program on "Green Banking Practices of Commercial Banks" | No such information has been found |

| | | | | | | |
|---|---|--|--|---|------------------------------------|------------------------------------|
| Green Financing for green and eco-friendly projects | Direct & Indirect Green Finance Tk.26,980.44million | Financed Tk. 26.80 million in 14 energy efficiency projects. Tk.425million (approx) more than 1,13,257 transactions have done through Bank Asia SMART APP. | Indirect green (BDT 112200 million) investments have the largest budget followed by direct green (BDT 27068 million) investment. 2450 corer taka are handled by IBBL iBanking system | Total Green Finance (Disbursed) 51,482.34 provided BDT 30.03 million loan for setting up of Solar Home Systems and benefited around 650 households 51,482.34 provided BDT 30.03 million | No such information has been found | No such information has been found |
|---|---|--|--|---|------------------------------------|------------------------------------|

Source : Annual report of 2017 of respective banks

Within top Six (6) banks Ranked by Bangladesh Bank, IBBL has the largest Branch network and DBBL has the largest ATM network. Banks are maintaining upward trend toward green banking service. All top 6 banks are done their transaction above 50% through ATMs, continually increased Mobile/SMS and internet banking users, providing customers E-statements to reduce using paper, increased issuing rate of ATM card. Indirect green finance took major concern than direct and most importantly Banks are continually arranging green training program for their employees. IBBL hold the leading position in improving green awareness among their employees by arranging 607 training program in green banking to provide quality service to the customers. Most the banks except IFIC bank have introduced mobile banking app to stimulate the green banking service. Customers are aware and positive toward green banking by considering all those initiative and upward trend to green services provided by the aforementioned banks.

4.8 Green Banking practices in State Owned Commercial Banks (SOCBs) operating in Bangladesh

Table-08: SOCBs green service facility and infrastructure


| Particulars | Sonali Bank Ltd | Janata Bank Ltd | Basic Bank Ltd | Rupali Bank Ltd | BDBL | Agrani Bank Ltd |
|---|--|--|---|--|---|---|
| Online Banking Facilities | All 1209 domestic branch are online and 36 of them are powered by solar energy | All 912 branches are online. | All 68 branches are online. | All 563 branches are online | All 44 branches are online. | All branches (943) are online. |
| ATMs Services and SMS/Mobile Banking Facilities | 103 own ATMs booths within 2 are solar powered. 206637 accounts are facilitated with SMS/Mobile Banking. | 54 of its own ATMs and have the privilege to use more than 6,000 Point of Sales (POS). | 16 own ATM booths. Customers are served under Q-Cash shared ATM/POS Network | 4 own ATM | Compliance with green banking guideline except , Introducing green product and introducing green marketing and setting up green branches. | 35 owned ATM |
| Financing for eco-friendly projects | 406 Projects are Rated(ERR) and financed | financed 250 eco-friendly business projects | Assessed environmental risk rating of 563 projects, | Green financing project fund rose to tk 449.59 in 2017 against tk 421 core in 2016 | Allocation and utilization of GB funds are so low. | Allocation and utilization of GB funds are so low |

| | | | | | | |
|---|--|---|--|--|----------------------------------|--|
| Green projects financing | Directly financed Tk. 40.00 million in green projects. | Green budget BDT 4300 million has allocated for the year 2018. | Business ventures amounting taka 23,734.93 million | Actual amount has not been found | Actual amount has not been found | Actual amount has not been found |
| Training on green banking and sustainable finance | 166 Participants have participated in different sustainability related training program. | JBL is a member of the country's largest network comprised of 29 banks. | Actual data has not been found | Introduced "Sure cash" service and it has more than 119.50 lac clients | Actual data has not been found | 470 trainees have been trained up in regards Green Awareness and Training. |

Source :Annual report of 2017 of respective banks

SOCBs have a strong side that they are holding the strong branch coverage across the country. Sonali Bank Ltd has the largest Branch network along with the own ATM within SOCBs. Their great movement toward green banking are green finance and ERR (environmental risk rating) projects financing. SOCBs have largest budget but allocation and utilization of fund are so limited. In green service concerns, SOCBs attempts are belongs at downward. Within SOCBs, BDBL only the bank which is e unable to introduce green products and setting up green branches. One of the significant endeavors within SOCBs, Rupali Bank introduced "Sure cash" service in considering green service otherwise there are no remarkable movement. In consideration of ATM service, Mobile/SMS and Internet Banking service, POS transaction, green training program and introduction of banking mobile banking & APPs development, SOCBs have been presenting their position as weak in green service. So, it can be said that even the banks have adequate budget and facility, lack of implementation of green service policy imposed by Bangladesh Bank, customers of SOCBs are mostly dissatisfied and have not got proper green banking service yet.

6.0 Conclusion

It is observed from the above study that green initiatives like use of solar powered, online banking, sms/mobile banking, i-banking, atms, conducting workshops and seminars for green banking, bonds and mutual funds meant for environmental investments, cash deposit System, green projects financing, loan application through online are mostly used in private commercial Banks in Bangladesh. In another sense it can be said that account holders of private commercial banks are being privileged by this opportunities. In opposite direction though state owned commercial banks have strong infrastructure and large amount of capital, the account holders of those banks are not being enough privileged by green services. Now the customers are well aware and mostly prone to sophisticated services provided by banking sectors. Policy makers especially the authority of state owned commercial banks should ensure prompt and adequate green services to their customers. 

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Acronyms

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| DBBL : Dutch Bangla Bank Limited |
| IBBL : Islami Bank Bangladesh Ltd. |
| SIBL : Social Islami Bank Ltd |
| IFIC : International Finance Investment and Commerce Bank Limited |
| ABBL : Arab Bangladesh Bank |
| BDBL : Bangladesh Development Bank Limited |



Green Banking has been defined as means promoting paperless workplace, environmental-friendly practices and of course reducing carbon footprint from banking practices. The main objective of Green Banking is to ensure the use of organizational resources in favor of environment and society.