

## Green Banking Practices in Bangladesh

\*Md. Mamunar Rashid<sup>1</sup>, Rabiul Islam<sup>2</sup>, Mohammad Main Uddin<sup>3</sup>,  
Md. Fazlay Rabbi<sup>4</sup>

Associate Professor, Department of accounting, Hajee Mohammad Danesh Science and  
Technology University, Dinajpur, Bangladesh.

Corresponding Author: \*Md. Mamunar Rashid

---

**Abstract:** The basic concern of bank is to provide dedicated public service for profits. But earning profit is the expense of environment can't be the goal. So, there must be way that facilitates both the cases. Banking sector can both earn profit by providing dedicated public service and also save the environment. Green banking by far seems to be the solution best suited to this problem. It seems as welfare banking for the society at large. Green banking can be compared to be an umbrella terms which refer to those practice and guidelines that make banks environmentally, economically and socially responsible. It implies that banking business must be conducted in a system that facilities the overall reduction of external carbon-emission and internal carbon footprint.

**Keywords:** climate change, green banking, sustainability, corporate social responsibility.

---

Date of Submission: 29-09-2017

Date of acceptance: 10-10-2017

---

### I. Introduction

For the purpose of obtaining economic prosperity the best possible solution that has emerged in present times is sustainable development it can be achieved through following appropriate framework of cost efficient regulations and economic instrument. One such very crucial instrument is obviously banking sector. It can play a vital role in promoting environmentally sustainable and socially responsible investment. Therefore encouraging environmentally responsible investment and prudent lending can be identified as a major responsibility of the banking sector. Such activities and efforts of the banking sector are of critical important because the most important issue that the world is facing climate change. This environmentally sustainable and socially responsible investment is termed as green banking. Green banking refers to eco-friendly banking to stop environmental degradation that can make this planet more habitable. It can be regarded as sustainable banking with the aim of ensuring sustainable economic growth. It aims at adopting such technologies processes and product which result in sustainable reduction of their carbon footprint as well as develop a sustainable business.

### II. Methodology of the study

This report is guided only risen of secondary data and these data gathered from different sources like annual announcement, articles, research papers, companies, websites, annual report of Bangladesh Bank (BB), different journal and annual report of different commercial bank etc.

#### Objectives of the study

1. To identify the various strategies for adopting Green banking Approach.

---

<sup>1</sup> Associate Professor, Department of Accounting, Hajee Mohammad Danesh Science and Technology University, Dinajpur, Bangladesh.

<sup>2</sup> Lecturer, Department of Accounting and Information Systems, Bangabandhu Sheikh Mujibur Rahman Science & Technology University, Gopalganj, Bangladesh.

<sup>3</sup> Lecturer, Department of Accounting, Hajee Mohammad Danesh Science and Technology University, Dinajpur, Bangladesh.

<sup>4</sup> MBA Student, Department of Accounting, Hajee Mohammad Danesh Science and Technology University, Dinajpur, Bangladesh.

2. Scenario of green banking in commercial bank of Bangladesh.
3. Present situation of green banking in Bangladesh.
4. To identify the major green banking activities in bank.
5. Recommendation and suggestion.

**The major fact of practicing of green banking:**

The big target of the green banking is scape waste and offering precedency to environment and society. Improving an environmental initiative by shifting ideal finance and sustainable development and using organizational resources with responsibility.

- To use companies resource with obligation.
- Accomplishing the livable world for a large period of time.
- To diminishing the paper work as much as possible in the workplace.
- To hold cost and time proficiency.

### **III. Literature Review**

It was very good news of the crisis practicing green banking worldwide to create responsibility in the society and preserve the environment free from pollution. Apply the green activities provide banks an advantage to set the example and to display themselves to advantage. With picked waste identifying, switch to less proper and optimal internal valued. Banks are multiplying their magnitude from small posture to maximum investments to make their surrounding greener.

Though Green Banking is Exoteric, several articles and papers have been found concerning ‘Green Banking’ in UK, India, China, Germany and Bangladesh from 2006 to 2015. Among them some qualitative studies have been examine and interpret here to boost this paper and make the paper literally stable and sound.

(Pravakar saho 2008) Sustainable development can be earn by accommodate market to work within an applicable mould of cost efficient regulations and economic tools. One of the major economic deputations influencing overall business activity and economic growth in the financial organization like banking sector. In a world economy the industries and firm are evincible to adamant environmental policies, saver law suits or customer boycotts. Since banking sector is the major part of the industrial sector. It can search itself faced with credit and liability risk. Further environmental blow might affect the attribute of assets and also profit of banks in the longer period. Thus the bank should go green banking and act an instigator role to take environmental and ecological outlook as portion of their lending principle, which would force company to go for bounded investment for environmental management use of applicable technologist and arrangement system.

(Sharma N.2011) Application of green banking exercise will not only be useful for surrounding but also favor in greater activities efficiencies. In the early 1990s, the united nations Environment Programmed (UNEP) Starts what is now known the green finance with the target of accomplish the environmental dosage to the economic performance and risk generated within the economical Bank like ABN Amro, Standard chartered, city bank N.A. etc. search environmental subject investigated under kyuto protocol.

Green banking policy of United Commercial Bank limited (UCB) 2011 was the globe is surrounding countless environmental effect due to the function of business industries and financial institution. Moreover the outcome of climate change also creates tangible environmental issues for the enterprise and living being at all. On the other hand in house spending and use of paper, water, stationeries, electricity, equipment, technologies etc. of the companies and financial company pollutes and environmental in various ways and strength. As such the society need that the bank and financial organization for keeping the environment green and safeguarding the planet.

Green Banking Policy of EXIM Bank Limited, Bangladesh (2011) was go forwarded in sound to increasing consciousness over environmental degradation, climate change, and want for urgent measures for sustainable development to be addressed by some of the stakeholders in the world. Banking method holds a sole position in an economy that can invade production, business and other economic activities through their procedure for financing activities which would in triplication contribute to defend environment/climate from pollution. Moreover, ability in energy use, water consumption and waste reduction may significantly contribute for operating cost for many of the large banks of the country. (Atiur Rahman 2010) Noticing the threat of global Warning the state of Bangladesh have improve urgent magnitude to fight the climate change by diminishing the bank's own footprint of carbon and sensitizing the bank's customer to hold low carbon outflow practices..

Suresh Chandra Bihari (2011) elucidated that Green Banking cover raises corporate social responsibility (CSR). It starts with the target of protecting the environment where banks consider before financing a project whether it is environment friendly and has any synthesis for the future. A Organization will be given a loan only when all the environmental safety standards are followed. Green Banking can be efficiently implemented through the use of technology and policy, he emphasized.

## **Green Banking**

### **What is Green Banking?**

The concept of green banking originates in modern banking approaches. The concepts have actually been derived from ethical banking which seek to mitigate the hazards of climate change due to global warming. Climate changes have direct impact of biodiversity agriculture forestry water resource and people health. Due to harmful weather sample flourish greenhouse gas decreasing air quality etc. Society demand for businesses also takes responsibility of safeguarding the planet. Green finance as the part of green banking can make great contribution to the transition to resource efficient and low carbon industries i.e. green industry and green economy in general.

Green banking is an element of the global persuasion by a large number stakeholder to protect the environment. The environment of Bangladesh is rapidly deteriorating. The key area of environmental degradation is air pollution; water pollution; and scarcity encroachment of rivers; improper disposal of industrial; medical and household waste; deforestation; loss of open space and loss of biodiversity. In addition Bangladesh is one of the most climate-vulnerable countries. In line with global improvement and liable to environmental downfall, the financial portion as one of the fundamental stakeholder in society. Stakeholder in society should play its due role.

Green banking initiative of the Bangladesh bank (BB) have two aspect in house green activities indeed eight kilowatt solar power system. Environmentally harmful incineration of non-re-issuable damage bank note is being phased out resorting instead to shredding steps for measuring the carbon footprints of BB's internal processes and operation are underway eventuality set time bound target for carbon neutrality/emission reduction. under the networking programed, all the department of Bangladesh bank head office and its ninth branches have already been brought under a computer network (LAN/WAN), connecting almost 3100 PC's. BB has enhanced the product line under its green banking scheme for 6 to 47 and segregated these product into 10 categories these are renewable energy, energy efficiency, solid waste management, recyclable product, green industry and miscellaneous.

### **Why is green banking important?**

Until seem green banking just seem like an initiative and such environmental concerns did not really seem to be relevant to a bank operations initially a bank checking their clients environmental worthiness would have been considered as prying into a private business. However now the perception looks towards how this brings risk to their business. Although the commercial banking and financial company are not affected by the environmental wane there is indirect cost of banks. Credit legal and reputation risk have constantly been hunting this bank unless such initiatives are taken.

### **Phases in green banking**

#### **Use plastic money instead of currency**

Banks are enhancing different designing of using plastic money rather than currency note in order to save environment.

#### **Provide green loan for solar equipment**

Some national and scheduled commercial bank may provide low interest loan to the customer who produce solar manufacturing company or other business which is relate to the solar energy and does not affect the environment

#### **Online banking**

Online banking is the flourishing concept in the modern and corporate Bangladesh. It helps to reduce of energy and natural resource .It also includes

- a. Online bill payment.
- b. Deposited in remote side in country.
- c. Fund transfer in online from one part to another.
- d. Withdrew money from ATM by online.

For online banking it's not need to physical presence to the bank for money. Customer can withdraw money from ATM and can transfer money one from another. It reduces time and save money. Account information can be accessed any time day or night and can be done for anywhere. It also helps to saving paper, energy and expenditure of natural resources.

#### **Power saving equipment**

Bank can control climate change and as a primarily step they choose to start a campaign to replace all fudge GSL bulbs in all own premises office and residential. Some banks also try to establish own solar system in their bank roof. It also helps to save the power energy and natural resources.

### Mobile banking

Mobile banking is the revaluation of banking sector in the early development of banking activities. It is really blessing for us. By mobile banking it is very easy to send money from one place to another within short time and safely. It is very popular in modern era. In this system customer does not need any paper statement to withdraw money and does not need to go any bank premises which reduce to use paper and save time.

### Customer's opportunities for green banking

For development of green banking customers are more benefited. For mobile and online banking they may transfer their money easily. They can know their account balance within a minute with the help of development of green banking. The main theme of green banking is to save the environment to save the earth. So customer are the people who live the earth ultimately they are benefited by green banking. For the blessing of green banking customer may get lower rate of loan for purchasing solar equipment. Customer may find the bank who is involved in green banking. Banks are getting more competition for more deposited to increase green banking activities.

### Bangladesh bank green activities

#### Green banking Policy Initiatives

In January 2011, guidelines on Environmental Risk Management (ERM) were issued to all banks and NBFIs which was first policy instruction of BB regarding green banking. Policy guidelines for green banking were issued to the scheduled banks in February 2011. Policy guidelines for green banking were issued to NBFIs in August 2013 and to the new banks (scheduled in 2013) in September 2013. Bangladesh Bank classifies the phase out to accomplishing policy rudder for all banks in December 2013. It issued a circular in September 2014 to expedite the ongoing initiatives of bank and NBFIs are the later motion for acceptance the environment consistent to climate change risk, particular objective of direct green finance as pointed out percentage of each year useful form January 2015. Anterior for bank scheme before 2013, target will be 5 percent of the total executes investment of placed loan in 2015. For new bank scheme in 2013 and NBFIs target will be 3 and 4 percent gradually in 2015.

#### Green finance

A total amount of Taka 465.9 billion was disbursed during FY15 by 46 banks involved in green finance. The comparative performance of various organization are as follows; PCBs (78.6 percent) followed by FCBs (15.4 percent), NBFIs (5.1 percent), SCBs (0.9 percent) and DFIs (0.1 percent).

#### Green finance in different product

Component those are related to green finance are: Financing green projects renewable energy, Energy efficiency, Solid waste management, Liquid waste management. Alternative energy, Fire burnt brick, Non fire block brick, Recycling & recyclable product, Green industry, Safety and security of factory and others.

**Green finance in different products: FY15**

Category of green finance	SCBs	DFIs	PCBs	FCBs	NBFIs	Total
Renewable energy	107.4	5.8	2284.2	554.5	6249.3	9201.3
Energy efficiency	92.0	0.0	1400.7	0.0	81.7	1574.4
Solid waste Management	14.9	0.0	2112.7	0.0	0.0	2127.6
Liquid waste Management	22.0	0.0	1755.5	52.5	202.0	2032.0
Alternative energy	17.3	0.0	0.0	0.0	0.0	17.3
Fire burnt brick	1797.3	34.0	5292.3	0.0	59.0	7182.5
Non fire block brick	0.0	0.0	20.5	0.0	0.0	20.5
Recycling & recyclable product	0.0	8.9	2376.8	26.8	124.3	2536.8
Green industry	420.0	0.0	831.1	2638.3	80.0	3969.5
Safety and security of factory	0.0	0.0	236.4	1.5	24.7	262.6
Others	596.3	37.4	3788.4	0.0	43.2	4465.2
Total	3067.2	86.1	20098.6	32733.6	6864.2	33389.7

Source: Bangladesh bank annual report 2015.

There are total 5 products along with eleven categories. Total Tk. 33389.7 million was finance for five products. Taka 3067.2 million for state owned commercial bank (SCBs), 86.1 for Development Finance Institution (DFIs), 20098.6 for Private Commercial Bank (PCBs), 32733.6 for Foreign Commercial Bank (FCBs), 6864.2 for Non-bank Financial Institution (NBFIs).

**Direct and indirect green finance: FY15**

Type of banks/NBFIs	Direct green finance	Indirect green finance	Total green finance	Sector wise contribution
SCBs	3067.2	910.6	3977.7	0.9
DFIs	86.1	263.0	349.0	0.1
PCBs	20098.6	346134.7	366233.2	78.6
FCBs	3273.6	68240.7	71514.3	15.4
NBFIs	8320.7	15493.0	23813.6	5.1
Total	34846.0	431041.9	465887.9	100.0

Source: Bangladesh bank annual report 2015.

In the above we can see clearly that total green finance is Taka 465887.9 million. Total direct green finance is Taka 34846.0 million and indirect green finance Taka 431041.9 million.

**Environmental Risk Management (ERM)**

Environmental risk management taken into accounts in disbursing credit. An environmental risk rating is estimated and a threshold level is applied in taking a decision to transient loan following the instruction on ERM for banks and NBFIs. ERR is contextual for the projects as like as the loan opportunity that over the circuit limit. Whole Bank Guided environmental risk allocations in FY15. The number of projects Apposite for Environmental Due Diligence (EDD) during the year was 55881.

**Environmental risk rating of banks and NBFIs: FY15**

Type of banks/ NBFIs	No. of projects applicable for EDD	No. of projects rated	No. of rated projects financed	Amount disbursed in rated projects (million Taka)
SCBs	2224	1804	1718	28896.8
DFIs	225	225	225	3824.3
PCBs	47316	40575	33897	1281527.1
FCBs	3765	2855	1375	109230.5
NBFIs	2351	2467	2398	76578.3
Total	55881	47926	39613	1500057.0

Source: Bangladesh bank annual report 2015.

**Climate risk fund and green marketing**

Infy15 total amount utilized from climate risk fund by 22 banks and for green marketing by 29 banks were Taka 564.3 million and Taka 168.7 million respectively. For the NBFIs, total amount disbursed for climate risk fund was taka 4.3 million and total expenditure for green marketing was taka 4.9 million in FY15.

**Online Banking and Energy Efficiency**

55 banks out of 56 banks had online branches at the end of FY15 where as the number of 54 at the end of FY14. Online branches were 51.9 percent of total branches at the end of FY14 where stood at 68.1 percent at end of FY15. Green banking policy encourage the banks to establish branches powered by solar energy. Following the principle of green banking, the number of branches powered by solar energy was 315 at the end of FY14 which stood at 416 at the end of FY15.

**BBs in house environmental management**

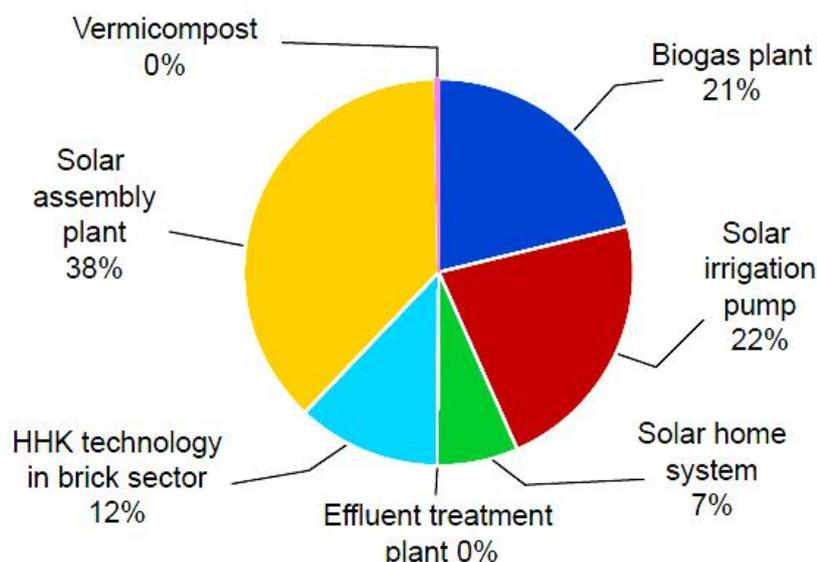
BB's installed a solar power system in his rooftop for energy efficiency and chiller based central air condition system for reducing Chlorofluorocarbons (CFCs) emission. Bangladesh Bank initiated the process to measure the carbon footprint of its own e recruitment documentation management system leave management system online salary and account system, personal file update system, online office orders, electronic pass for visitor and many have been introduce through BB internet. All the department of BB head office and its nine branch offices have already been brought under a computer network (LAN/MAN), connecting more than 3500 PCs. BB has open data initiative for all through its interactive website which is update at all time. Most of the regulatory reporting from banks and NBFIs are collected through web upload and enterprise data warehouse (EDW) system. Bangladesh Automated Check Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN). Online Credit Information Bureau and Enterprise Resources Planning (ERP) have been started in operation, Bangladesh Bank has also started e-procurement.

Disbursement trend of BB refinance scheme for green products

Green product category	FY11	FY12	FY13	FY14	FY15
Bio gas	50.2	133.2	113.6	212.8	83.3
Solar home system	59.4	10.5	40.2	32.2	87.5
Solar irrigation pump	12.4	8.4	0.0	17.9	26.5
Effluent treatment plant	10.8	22.2	57.4	10.0	0.0
HHK technology in brick kiln	0.0	55.0	172.2	59.0	47.0
Solar assembly plant	0.0	248.8	122.7	49.6	148.1
Vermicompost	0.0	0.0	0.0	0.0	1.1
<b>Total</b>	<b>132.8</b>	<b>478.1</b>	<b>506.1</b>	<b>381.5</b>	<b>393.5</b>

Source: Bangladesh bank annual report 2015.

Shares of green products in refinancing: FY15



Source: Bangladesh bank annual report 2015.

In the above figure we can see clearly that solar assembly plants are used in Bangladesh bank 38% which is more than other green product. Biogas plant is 21%, solar irrigation pump 22%, Hybrid Hoffman kiln (HHK) technology in brick sector 12%. Vermicompost and Effluent treatment plant is 0%.

### Commercial Bank's Green Banking Initiatives

**Policy Formulation and Governance:** As per stand instructions, banks are necessary to formulate and adopt a broad environmental or Green Banking policy and strategy, approved by their Board Direction in line with the scheduled Bangladesh Bank and by their Divisional head /suitable authority in case of foreign commercial banks operating in Bangladesh. Policy formulation should be the first precedence, if there is no policy or if it is not certified by the suitable authority. Then the adaptation and implementation of Green Banking activities that are to be linked with and compliant with the phases (December 2013, December 2014 and December 2015) will not be on track. Out of 56 commercial banks, 55 banks have formulated their own Green Banking Policy Guidelines approved by their Board of Directors/Competent authorities.

**Budget Allocation:** Banks shall approve a considerable amount for Green Banking in their annual budget, which will include (1) Green finance budget (2) Climacteric fund budget (3) Marketing and strength building for green Banking. Banks have allocated Tk. 150057.0 million in their annual budget for 2015 where (i) Tk. 5052.59 million is for Green Finance (ii) Tk. 194.35 million is for the Climate Change Risk Fund and (iii) Tk. 5.13 million is for marketing and capacity building for Green Banking. Although projects will have ETP Decline under green financing, the total allocation of the annual budget for Green Banking in fact will be Tk. 15917.19 million.

**Green Banking Unit (GBU)/Cell/Desk:** The GUB obeys a useful team consisting of material officials (senior/mid/junior) and together with members from incorporate /SME/customer/retail/agricultural economy/IT division/General Banking or any other topical department. The members producing Green Banking activities are supposed to meet regularly, or as and when required, for preparing the Green Banking report. The Risk Manager may lead the Green Banking Unit. There may be a permanent position of Assistant Coordinator who will assist

the team leader and play a vital role in coordination among all the members of the unit. So far 51 banks have formed a Green Banking Unit (GBU) for contributing to Green Banking activities, while 4 banks (Sonali Bank Ltd, Habib Bank Ltd, Citi bank N.A. and National Bank of Pakistan) are yet to establish GBU.

**Incorporation of Environmental Risk in Core Risk Management (CRM)**

Environmental risk is not a part of credit risk, but it is a facilitating element of credit risk when it is attached with the credit risk in law of environmental Position/climate change. A heavy credit risk settle up project or company deal may be weekly by a big Environmental Risk Rating (ENVRR) because of big environmental risk therein. Environmental risk in this case has a greater impact over credit risk in the overall credit risk methodology. So central of Bangladesh bounded stirring ENVRR in the overall credit risk methodology, in order for the overall rating to do required justice to a project/business deal. Market place of environmental risk in CRM is also valuable for count of enough capital underneath Risk Based Capital Adequacy (RBCA) and the CAMELS rating under off-stage custody as well. Bank is now measure ENVR as per the Environmental Due Diligence (EDD) checklist of Environmental Risk Management (ERM) Instruction.

**Banks’ In-house Green Activities**

**A. Green activities in house as reported by banks as follows:**

- General use of table stationeries instead of individual use.
- E-statement provide to the customer instead of paper statement.
- Use of paper on both sides for internal consumption.
- Use of online communication in the best possible manner.
- Using more daylight instead of electric lights and proper ventilation instead of use air condition.
- Increasing use of energy saving light.
- Setting defaults like “Thinking twice before printing.”, “Printing only it really needs”,
- Video/Audio conference in lieu of physical travel.
- Conversion of Bank’s vehicles (pool) into Compressed natural gas (CNG) and use of energy efficient electronic Equipments.
- Efficient use of printer cartridges, photocopy toner, office stationary etc.
- Sharing electronic files, audio mail and e-mail in lieu of paper attachment.
- Use of solar and renewable energy origination.
- More concentration on developing a Green Office Guide for reducing the information.
- Crate awareness for reducing pollution.
- Green Banking for sustainable finance.

**B. Some Green Banking Slogans of Banks**

- Save paper, save tree.
- Be green remain green and patronize green.
- Conserve energy, conserve natural resources.
- Pay your bills online.
- Turn off the tap when not needed.
- Always use a cloth bag.
- Reduce, reuse and recycle.
- Develop yourself.
- Think before you press the key.
- Everything has two hands.
- Be paperless- kick the habit.
- Use car pools to go to work.
- Unplug electronic devices while not in use.

**Branches/ SME/ATM units powered by Solar Energy**

Types of Bank	No. of branches powered by Solar Energy	No. of ATM/SME units powered by Solar energy
SCB’s	21	8
PCB’s	169	150
FCB ‘s	22	0
SDB’s	2	3
<b>Total</b>	<b>214</b>	<b>161</b>

Source: Bangladesh Bank- Annual Report on Green Banking 2015

At present 214 branches of 26 banks are powered by solar energy. 23 branches of Islami bank, 16 branches of both Sonali & Al-Arafah and 14 branches of Mercantile Bank Ltd are using solar energy in their premises. Total 161 ATM/SME units of all commercial bank are powered by solar system energy sources other banks like prime, mutual, Bank Al Falah, Arob Bangladesh Bank have SME/ATM units used by solar system.

**Top Ten Banks in Green Banking Initiatives**



Top 10 banks are evaluated on the basis of their overall Green Banking activities. An operation have been formed to appropriate top ten banks on distinct criteria such as Environmental Risk Rating (EnvRR), green finance, part of CSR activities for green result or green project marketing, training and in green activities in house. Online banking and other green banking activities. Bank’s green banking activities as of 2015 and also data on last quarter of 2015 have been taken into due consideration while grading top ten banks.

**Findings**

1. 55 banks have formulated their own Green Banking Policy Guidelines approved by their Board of Directors/Competent authorities.
2. 51 banks have formed a Green Banking Unit (GBU) for contributing to Green Banking activities.
3. A total amount of taka 465.9 billion was disbursed during financial year 2015 by 46 banks involved in green finance.
4. Bangladesh Bank has enhanced the product line under its green banking scheme for 6 to 47 products.
5. Green finance in different products is increasing rapidly.
6. There are 33389.7 million was green financed in five products along with eleven categories in the year 2015.
7. 55 banks/68.1% banks have introduced online banking.
8. 416 branches are powered by solar energy.
9. In the year 2015 total green finance was Taka 465887.9 million. Total direct green finance was Taka 34846.0 million and indirect green finance Taka 431041.9 million.
10. The number of projects Apposite for Environmental Due Diligence (EDD) was 55881.
11. Solar assembly plants are use in Bangladesh bank 38% which is more than other green product.

**Guidelines, Recommendations and suggestions for implementing green banking in Bangladesh**

1. Government of Bangladesh should create awareness about the green banking practices by encouraging general people through electronic, online, and print media.
2. Increasing awareness and co-ordination among concern authorities of all commercial banks.
3. The central bank of Bangladesh should take step to improve the green banking policy of all commercial bank and financial institution.
4. Government of Bangladesh should carefully monitor and supervise the green banking practices of all commercial banks and financial institutions in regular basis.
5. Bangladesh Bank should monitor the progress of green banking guidelines of all financial institutions.
6. Disseminate information about the negative effects of global warming among the general people.

7. General people should concern about environment that's why they want to implement the concept of green banking.
8. General people of Bangladesh should create the culture of green banking so that next generation can introduce with green banking very easily.
9. Influence and motivate the borrowers to go green.
10. All bank of Bangladesh should follow the environmental risk management (ERM) guideline in efficient manner.
11. Give prize and reward to those organizations that follow the green banking guidelines of Bangladesh Bank.
12. Provides extra benefit and facility for encouraging and motivating the organization that follow the green banking guidelines of Bangladesh Bank properly.
13. The organization those are directly related with the pollution /destruction of the normal environment must be brought under some law with some punishment.
14. To enrich the awareness of mass people about green banking concept, it may introduce in the curriculum of the secondary and higher secondary education.

#### **IV. Conclusion**

Bangladesh bank need to be fully concerned about environmental and social guidelines to which banks are worldwide recognized. Bangladesh banks are far behind their counterparts from developing countries. We know Bangladesh is the climate changeable country.so she needs to keep the environment free from pollution. All are the commercial bank and financial institution of Bangladesh need to play a vital role to make the country a better place to live in. Bangladesh government should encourage the people about the benefit of green banking. The central bank of Bangladesh should also observe all commercial bank and financial institution how they develop their green banking policy. Thus green banking plays a vital role in implementing the ample idea of sustainable economic improvement.

#### **References**

- [1]. Banks jump on paperless banking bandwagon, viewed January 05, 2015 <http://www.thefinancialexpress bd.com/>
- [2]. BB's green banking fund limping, viewed January 07, 2015, <<http://www.thefinancialexpress-bd.com/>>.
- [3]. BB ups interest rate for green banking, viewed January 21, 2015, <<http://www.thefinancialexpress-bd.com/>>.
- [4]. Blacconiere, W. and Dennis, P. (1993), 'Environment Disclosure, regulatory costs and changes in firm values', *Journal of Accounting and Economics*, pp. 112-125.
- [5]. Biswas, N. (2011), 'Sustainable Green Banking Approach: The Need of the Hour', *Business Spectrum*, vol. I, no. 1, January -- June 2011.
- [6]. Chang, N. and Fong, C. (2010), 'Green product quality, green corporate image, green customer satisfaction, and green customer loyalty', *African Journal of Business Management*, vol. 4, no. 13, pp. 36-44.
- [7]. Chen, Y. (2010), 'The drivers of green brand equity: Green brand image, green satisfaction, and greentrust', *Journal of Business Ethics*, vol. 93, no. 2, pp. 307-319.
- [8]. Goldar, B.N (2007), 'Impact of Corporate Environmental Performance on Profitability and Market Value: A case Study of Indian Firms', *Institute of Economic Growth*, vol. 5, no. 1, pp. 13- 25.
- [9]. Hamilton and Hart (1995), 'Pollution as News: Media and Stock markets Reactions to the toxics release inventory data', *Journal of Environmental Economics and management*. pp. 28- 37.
- [10]. Green banking: An avenue to safe environment, viewed January 15, 2013 <<http://www.thefinancialexpress-bd.com/>>.Gupta, S.
- [11]. (2003), 'Does Stock market penalize Environment-Unfriendly Behavior? Evidence from India' ,*Delhi School of Economics working Paper Series*, pp.112 -116.
- [12]. About the hittpen finance retrived from <http://en.finance.sia-partners.com/its-time-green-banking-isnt-it>.

IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with Sl. No. 4481, Journal no. 46879.

Md. Mamunar Rashid . "Green Banking Practices in Bangladesh." *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 19, no. 10, 2017, pp. 62-71.