

Green Banking Activities in Bangladesh: An Analysis and Summary of Initiatives of Bangladesh Bank

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Abstract

Environment is most difficult issue the world is threatening. The world has seen much concentrate on financial development, the symptoms of this, has caused in environmental change and damage. An important role between economic growth and environmental protection is played by the banks. It means joining advancement and changing client inclinations in sparing saving banking business. Green keeping money practices will be helpful for environment as well as lead to cost reductions in managing an account exercises. To decrease the outer carbon discharges, bank ought to back green innovation and pollution sinking activities. To save environment Green banking is a part of green initiative taken by stakeholders. This paper has made an endeavour to highlight systems, opportunities, difficulties and advantages of green banking policies of Bangladesh Bank.

Keywords: Environment, Bank, Green Banking, Bangladesh Bank.

Introduction

As a least developed state, Bangladesh is one of the worst victims of world natural pollution through industrialization of the western nations. Under such risky environmental threat, financial sector of Bangladesh is playing a key role such as- important stake-holder of the economy implementing the businessmen, industrialists of the country to design their various strategy and action plans for keeping the critical environmental issues. Nowadays, global warming is a dangerous issue. For immediate global response we need to quick changes in the climate pattern which is cause for many problems and directly leave impact on biodiversity, cultivation, forestry, water resources, and human health. This Banking approach allows to natural responsible bank to contribute in the economic system comprising of production, distribution business by aware environmentally responsive account, process, limit building to support pollution less environment and living standards.

Banking Policy lays down the essential components of its move-over. This banking system requires a change in thinking about economics, business and finance. Its success would be greater if the world governors started to update their economic standards from being “monetary economics” to “Ecological economics” and start to change their accounting principles from purely being financial into ecological or operational energy accounting patterns. Upcoming green banking may change in this way. Green banking includes environmental and social responsibility. Bangladesh is one the most environmentally influenced country in the world; keeping this in mind, Bangladesh Bank established a Green Banking Policy in 2011. This study goes for focused on the present status of the banks in observing with Bangladesh Bank policy to save the environment also to increase financial sustainability. Green banking activities include using all of the banks resources with responsibility and care. It also includes avoiding waste and giving priority to choices that take sustainability into account.

Methodology

The study is mainly based on extensive literature review and various secondary data. Secondary data has been taken from Bangladesh Bank’s reports, various news paper, seminar etc. Also the personal interview with some banker has been conducted.

Green Banking

In the present day, business is all about being green. Everybody from Walmart to Apple is discussing how green their method, bundling, or strategies are. At the same time, green business is truly in its early stages, and the ultimate chance of being green will most likely dis-till down to some clearly understandable and perceptible objectives and practices. Bankers may question that the importance of the “green movement” to their own bank. The term ‘Green’ refers a wide scope of social, ethical and environmental dimensions. Instead of, the final goal of this study is to implement the overall green banking which look into environmental aspect. “Green” is mainly to describe banks’ which impacts on the environment, environmental responsibility and environmental performances in their activities.

Green banking is generally defined as promoting environmentally friendly practices that aid customers in reducing their carbon footprint through their banking operation activities. These practices include such things as online banking, statements, bill payments, and account opening. Banks also invest in internal initiatives to reduce their own carbon footprint”, (Schmidheiny and Zorraquin 1996). While green banking is not yet a key

reason for most customers to select one financial institution over another, customer demands and greater environmental awareness are driving a number of financial institutions to go green (Nigamananda Biswas, 2011).

Bai (2011) argued that Green Banking is similar to an ordinary bank. The aim of this ordinary bank is to protect the environment and support natural resources which consider all the social and environmental or ecological factors. It is also so-called an ethical bank or a sustainable bank.

As a bank green bank promotes environmental and social responsibility. But it operates as a traditional community bank. It provides outstanding services to investors and clients. It has adopted sustainability practices through all lines of the institute including- employees, facilities, products & services, and governance.

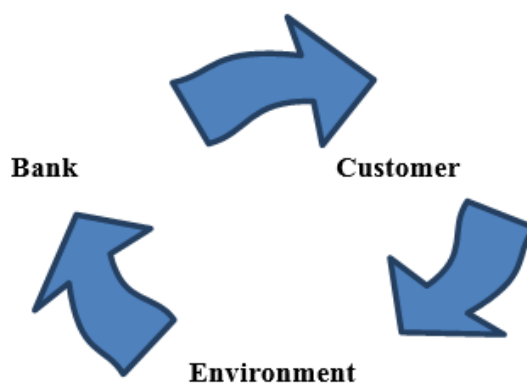
This banking system helps to make effective and far-reaching market-based solutions to address a range of environmental problems. These problems including environment change, deforestation, biodiversity loss and air quality issues. At the same time green banking system recognize and protected new business chances which benefit to customers. Green banking gives more loads to ecological issues. Its aim is to provide good ecological and social business practices. Overall this banking is really a good way for people to get more consciousness about global warming. Individually businessman will donate a lot to the environment in addition to create this earth a better place to live.

Literature Review

Global warming, which is one of the most burning & discussed issues, has the worst impact on the climate of the planet as a whole. The rapid change in climate will be too great to be adapted by the eco-systems, since the change have already made direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. As such, issue of global warming calls for a global response. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet (Bangladesh Bank Green Banking Policy).

Thombre (2011) argued that environmental impact of bank's external activity is huge though difficult to estimate. Thus, encouraging environmentally responsible investments and careful lending should be one of the responsibilities of the banking sector. (Sahoo and Nayak 2008). The bank should go green and play a pro-active role to take environmental and ecological aspects as part of their lending principle, which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems (Hayder 2012). Verma (2012) stated that Indian banking is gradually coming to realize that there is need from a shift from the 'profit, profit and profit motive to 'planet, people and profit'. GB involves pursuing of financial and business policies that are not hazardous to environment and help to protect environment. The purposes of GB are to use resources with responsibility avoiding waste and giving priority to environment and society.

To save our planet it is the time to take initiative for green banking. The banks should give priorities in providing loan to the sectors that encourage environmental practices (Rashid 2010). Habib (2012) stated that much more is expected from NGOs and civil society organizations in the form of awareness development, research activities and business monitoring. For rapid change among consumers and businesses, a collective endeavor of government, media, NGOs will be required. The following GB wheel indicates how the whole banking system works as a chain.



Source: Bangladesh Bank Annual Report, 2012

Bangladesh already maintains a satisfactory level MDGs. They are trying to sustainable development Goal (SDGs). According to World Commission on Environment and Development (WCED), "Sustainable development is development that meets the needs of the present without compromising about the ability of future generations to meet their own needs (Smith, Rees, and Gareth 1998). In order to ensure sustainable development, world environmentalist groups consider that green banking would be one of the valuable arms. As a result,

today's environmental stakeholders are pushing financial community to strictly implement green banking policy which they consider will help to protect the environment.”

The factors like customer demand and environmental awareness are also influencing Bangladeshi Banks to adopt more environmentally friendly business policies. However, the effect of green banking on variables such as image has not yet been examined. Chang and Fong (2010) do in fact examine the notion of GBI, but only as a driver of satisfaction and loyalty, not as a result of green banking activities. According to their survey on consumers who had the experience of purchasing green or environmental products in Taiwan, a green corporate image exerts a positive effect on green customer satisfaction and green customer loyalty. On the other hand, Chen (2010) suggests that companies develop green banking in order to comply with environmental pressures, obtain competitive advantages, improve corporate image, seek new market opportunities and enhance their product value. However, Chen (2010) does not actually test the relationship between green banking and green image. Moreover, his study is not related to the banking sector but to information technology products. Hartmann; Ibáñez; and Sainz (2005) relate green banking to green image by testing the green branding effects on attitudes towards the brand. They support that a well-implemented green positioning strategy can lead to more favourable perceptions of the brand, indicating a positive relationship between green marketing and green image. However, their research is limited to an experimental online setting.

Bangladesh Bank has undertaken different steps to make green banking a reality. “Bangladesh Bank has launched the Tk 2.0 billion Green Banking Refinance Scheme in August 3, 2009 to fund renewable energy projects in the country that has been reeling under chronic power cut”

Initiatives from Bangladesh Bank

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 guideline 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.

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.

Phase-I (Foundation)

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.

1.1. 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.

1.2. 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.

1.3. 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 recycle of equipment. 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 Eco - font 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 equipment 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8 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.

1.9 Disclosure and Reporting of Green Banking Activities

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

Phase-II (Intensification)

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

1.8. 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.

1.9. 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.

1.10. 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 equipment, 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.

1.11. Improved In-house Environment Management

Strategy of reuse, recycling of materials and equipment, 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.

1.12. 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.

1.13. 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.

1.14. 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.

Phase-III (Diversification):

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.

1.15. 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.

1.16. 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.

1. 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.

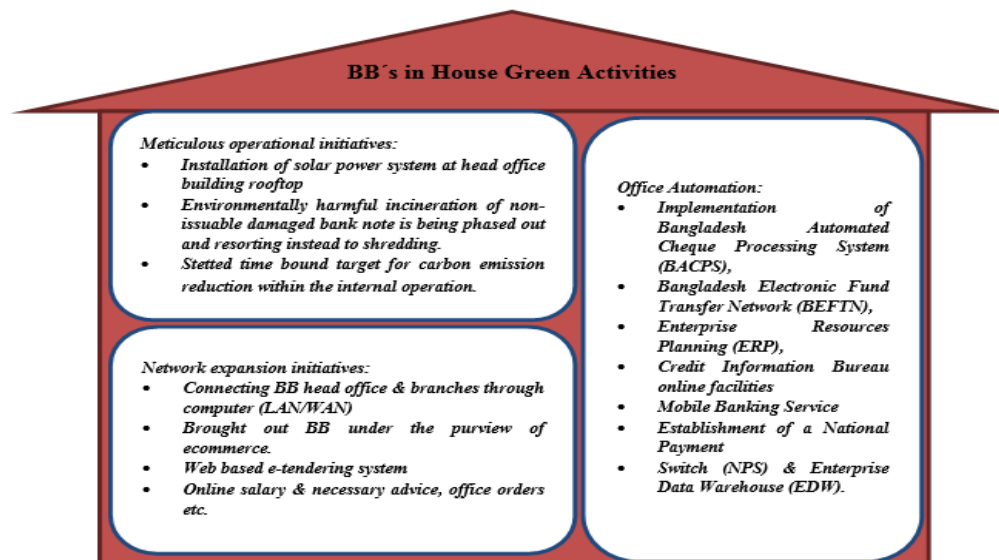
2. The compliant banks practicing Green Banking will have the following preferential treatments:

- 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.

Taking into account the adverse effects of climate change and progressive action worldwide, Bangladesh Bank, the central bank of Bangladesh, has shown a deep commitment towards the vision of green world through green initiatives. Thereby Bangladesh Bank itself appears to be an example for the financial sector by performing some green banking activities for its head office and branch office management. These activities certainly convey a strong message to the financial institutions about the seriousness of Bangladesh Bank in its green movement.

Bangladesh Bank's green activities are concentrated in term of in-house and other than in-house activities. The word 'in-house activity' refers to domestic or activities limited to the office building related to network expansion, office automation and daily green operation etc. Under the networking program, all the departments of Bangladesh Bank head office and its nine branch offices have already been brought under a computer network (LAN/WAN), connecting almost 3,100 PCs as of March 31, 2012. 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.



Source: Bangladesh Bank Report 2012

Besides, Bangladesh Bank has taken the lead position in encouraging and implementing IT based technologies in the overall banking sector. The implementation of the Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Enterprise Resources Planning (ERP), Credit Information Bureau online facilities, and Mobile Banking Service are worth mentioning. Establishment of a National Payment Switch (NPS) is also a major driving force for the whole payment system. In addition, Bangladesh Bank with its network package is now activated on a web based e-tendering system, which covers announcement of tender, distribution of schedules, bidding etc., to ensure simplicity and transparency of the tendering process. Online salary and other necessary advice, personnel file updated information, office orders, notification about on-line balance statements for all members or employees of Bangladesh Bank, an electronic pass for visitors and many more such conveniences are instantly available.

In other than in-house activities of Bangladesh Bank, it includes only refinance scheme. Bangladesh Bank has launched a refinance program in 2011 and as of 2012 it disbursed (Table-1) about Taka 2 billion in various sectors at only 5 percent interest rate. As electricity shortage is the major problem in a developing country like Bangladesh, the bank gives an emphasis on alternative energy like solar home system, solar pumping station, and solar PV module assembling plant. While Bio-gas, Effluent Treatment Plant, and Hybrid Hoffman Kiln schemes are funded as energy efficiency has received significant attention around the globe.

Challenges of Green Banking

For profit entities green banks face a lot of challenges. These challenges are following below:

I. Matter of Diversification

Green banks limit their business exchanges to those business substances who qualify screening procedure done

by green banks. With set number of clients they will have a littler base to support them. In the event that they center their credits on specific commercial ventures, they open themselves up to being a great deal more powerless against monetary movements.

II. *Startup*

Numerous banks in green business are new and are in start-up face. Generally it takes 3 to 4 years for a bank to begin making money but it does not help banks during inflation.

III. *Higher Operating Cost*

Green banks require specialized talented, skills and experienced staff to provide proper services to customers. Employees like experienced loan officers are needed with additional background and experience in dealing with green businesses and customers. At their profit margins employees provides breaks to customers through discounted loan rate.

IV. *Reputational Risk*

If banks are involved in big projects which are damaging the environment they are likely to loss of their reputations. In the financing of ecologically and ethically questionable projects reputation risks are involved. There are also few cases where environmental management system has resulted in cost saving, increase in bond value.

V. *Credit Risk*

Credit risks arise because of proposing to those clients whose organizations are influenced by the expense of pollution, changes in environmental principles and new requirements on productions levels. It is higher because of probability of customer default as an effect of uncalculated costs for capital interest underway facilities, loss of market share and third party claims.

Recommendations

The term green banking is now popular worldwide now-a-days. It is for stopping the environmental degradation and making this planet habitable. The concept of green banking developed in the western countries, which has been replicated by many developing countries. We all know that the people of the whole world are concerned about the environmental degradation, especially the rising of global temperature and thereby melting of glaciers and ice-berg in the polar region and consequently rising of sea level, which will directly affect the low lying countries of the world. As green initiatives sweep across the globe, more and more financial institutions are taking note and taking action. The trend towards green banking is still largely driven by and directed toward consumer behaviour. Since banking industry is a vital institution in the economic and business activity round the world, bankers cannot remain indifferent to this burning issue. A banker may address many issues to save environmental degradation and conserve the ecological balance. Bankers are the important professional group who has interaction with the other groups of people and also with general masses. Hence, they can adopt different green activities within their in-house environment and also can initiate the protection of the air pollution, water pollution by their clients. Many banks in the developed world have already started green banking activities. The following are the suggestions of the author for effective green banking:

Banks must adopt a strategic plan to perform green activities on long term basis as well as short term basis. Government should outline a broad guideline of green banking for environmental protection, conservation of biodiversity. Reserve Bank of India has a greater role in shaping up a concrete guideline for green banking practices and each banks and financial institutions can formulate a strategy and guideline for green banking.

A green banker must be cautious about wastage and waste management. The banks should try to control the wastage of resources like water, gas, electricity, paper, foods, etc. For example, if we draft letters on a computer rather than in paper, it will save millions of paper as well as thousands of trees that provide raw materials for paper production. Similarly, when we select a location of the branch of a bank with sufficient access to light and air, it will save huge electricity and create a healthy environment.

A green banker will not throw any waste, bottles or packing materials here and there. Each group of waste should be kept in a separate place, which does not pollute the environment and all the wastes must be disposed of separately. A green banker will not spit or cough on the floor, walls or on the road.

Additional conservation of energy and natural resources, paying bills online, remote deposit, online fund transfers, and online statements are just a few of the ways that online banking can create savings from less paper, less energy, and less expenditure of natural resources from banking activities. Customers can also save money by avoiding many of those late payment fees or overdraft fees that can sneak up if the customers use bank by-mail or branch banking services.

Since India is an energy deficit country the bank can install solar panels in all branches as an alternative energy source. They can also use the vehicles which consume less fuel which will save huge fuel import of the country. They can also use big vehicles to carry the employees of the banks instead of personal vehicle to reduce fuel as well traffic jam in the roads.

Bankers must be aware of the environmental issues and they must go for financing the projects that do

not pollute the environment. The industries that are financed by the banks must have effluent treatment plant, recycling facilities and smoke and gas arresting unit. The industries must not release any kind of effluents, chemicals or smoke to the environment. Banks should take initiative to make their clients aware by organizing seminar and symposium. They can organize awareness campaign in schools and colleges. They can participate in the tree plantation and cleanliness programmes in city areas.

In India has lot of problems of proper waste management, drainage and sanitation, and affected by river pollution, water pollution by pesticides, etc. Every bank can undertake a specific green project for removal of existing polluting substances from the ecosystem. Environmental conservation and protection of ecological balance should be maintained through combined efforts of multi stakeholders. The main stakeholders are businessmen, consumers and professionals, NGOs and government organizations. Since, banking industry deals with public money, they cannot remain indifferent and must be more sensible to the maintenance of ecological balance.

The benefit of using a green credit card is that some card issuers will donate funds to an environment-friendly non-profit organization. Imagine kicking back a percentage of every rupee to spend on the customer's credit card to a worthwhile cause. Research the latest green credit card deals to find a card that will give back to the organization.

Using a green checking account helps the environment by utilizing more online banking services including online bill payment, debit cards, and online statements. Consumers should be aware that banks offer green checking account because, ultimately, it helps their profits and not for purely altruistic reasons. They can profit customers as well because many reward checking accounts will pay a high interest rate to bank customers who meet certain monthly requirements.

Before a customer undertake a major home improvement project, study if the project can be done in an eco-friendly manner and if the customer might qualify for a green loan from a bank. Green loans are perfect for energy-saving projects around the house. Find a better loan rate and save energy costs all at the same time.

Conclusion

Now when our environment fights us back and there is an urgent need to create awareness and follow green banking in today's business world of innovative technologies so as to make our environment human friendly. We are forced to rethink and improve our ways of living to become more eco-friendly. A new trend hence was given birth in our endeavour to become eco-friendly which many define as 'being green'. Green banking if implemented sincerely opens up new markets and avenues for product differentiation. The banks should play a pro-active role to take environmental and ecological aspects as part of their lending principle which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems. As green bank has rapidly expanded its operations, the challenge for its leadership has been on managing this growth successfully and prudently.

Bangladesh is one of the most climate change helpless countries to change climate in the world. From the overall discussion, it can be said that green banking practices in Bangladesh are not at a satisfactory level. According to global development and response to the global warming, Green banking plays important roles. Government as well as every bank should take initiatives in respect of green banking practices for protecting our environment. Bangladesh bank will emphasize with significance of green banking activities/practices of a bank while according permission for opening new bank branches and approval for launching new bank. Government should also encourage the general people about the green banking practices. The central bank should monitor or supervise commercial banks whether they are practicing green banking or not. So, every bank has to participate and contribute to green banking practices in today's extreme national and global banking competition.

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