



Inspiring Excellence

Internship Report on “Green Banking; prospects & challenges in Bangladesh with highlights from Dhaka Bank Limited”

Submitted to:

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Internship Report on
“Green Banking; prospects & challenges
in Bangladesh with highlights from
Dhaka Bank Limited”



Letter of transmittal

April 30, 2019

To,

Mr. Md. Shamim Ahmed

Lecturer & Assistant Coordinator

BRAC Business School

BRAC University

Mohakhali, Dhaka-1212.

Subject: Submission of Internship Report on Green Banking; prospects & challenges in Bangladesh with highlights from Dhaka Bank Limited.

Dear Sir,

With due respect, I am very delighted to submit my internship report on "Green Banking; prospects & challenges in Bangladesh with highlights from Dhaka Bank Limited". To complete my Graduation, this report is an essential part. Here I gave my level best and worked hard to make the report informative. I prepared this report under your guidance and direct supervision, Sir. Unless I get your support and guidance, I would not be able to prepare this report.

My sincere effort was put to give this report into a presentable shape and made it as informative and precise as possible. I thank you wholeheartedly for providing me with this unique opportunity.

Sincerely

Md. Ziaur Rahman

.....

ID- 15104170

BRAC Business School

BRAC University

Letter of endorsement –

This letter is to certify that Md. Ziaur Rahman, ID-15104170, BRAC Business School, BRAC University has prepared this report on “Green Banking; prospects & challenges in Bangladesh with highlights from Dhaka Bank Limited” for the purpose of completing BBA internship program. This report has been accepted by me. I wish his success in the future.

Mr. Md. Shamim Ahmed

.....

Lecturer & Assistant Coordinator

BRAC Business School

BRAC University

Acknowledgement

Firstly, I convey my gratitude to almighty Allah, the most merciful and kind, for giving me the capability to accomplish this internship report on “Green Banking; prospects & challenges in Bangladesh with highlights from Dhaka Bank Limited”. Also I would like to thank and express my gratitude towards honorable Lecturer & Assistant Coordinator (BBA Program) Mr. Md. Shamim Ahmed, BRAC Business School, BRAC University for his continuous support and guidance throughout my internship period. Without his help and guidance it would be difficult for me to prepare this report. Moreover, I would like to thank my supervisor Mr. Salahud Din Ahmed, Senior Vice President, Research & Development Unit, Dhaka Bank Limited and Miss. Farzana Afroz, Principal Officer, Research & Development Unit, Dhaka Bank Limited, as without their immense support and guidance it wasn’t possible for me to complete my internship at Dhaka Bank Limited successfully. Sequentially, I would like to thank all my Colleagues including Miss Nazia Akhter, Mr. Sabbirul Islam, Mr. Murad Hossain, Mr. Masud Parvej and Mr. Rahbar Alam for helping me to know today’s business world and how it operates. Finally, I would like to thank BRAC University and its Faculty Members for their support, to complete my Bachelor Degree successfully.

Executive Summary

Green Banking is one of the most talkative issues nowadays in the Financial Sector. All over the World the Financial Institutions are trying to contribute to protect the environment. Bangladesh Bank also made some policy guidelines for the Banks and Financial Institutions to achieve sustainable development. As per Bangladesh Bank Guidelines, all scheduled Banks except Probashi Kallyan Bank have formed their own Sustainable Finance Unit and Green Banking Policy. In the last quarter (October-December) of 2018, all scheduled Banks disbursed Tk.21,090.38 million for Green Banking. Analysis shows that, the Non-Bank Financial Institutions financed more for Green Initiatives than the Banks. From all scheduled Banks the Private Commercial Banks invested about 87.29% out of total 100% Green Financing by the Financial Sector. In the year 2017, among Private Commercial Banks, BRAC Bank disbursed Tk. 11,000 million for Green Banking purpose while Dhaka Bank Limited financed Tk. 6461.85 million for Green Banking and sustainability development. In the final quarter of the year 2018, our Financial Sector financed highest amount of money for Green Initiatives in the Recycling and Recyclable product Industry. The Financial Sector financed 34.22% of their total investment for Recycling and Recyclable product. In the Green Brick Manufacturing sector the Financial Institutions invested 25.03% of the total financing. From Dhaka Bank Limited more than 90% of the Employees said that they have clear idea about Green Banking. More than half of the Respondents believe that Dhaka Bank Limited provides proper training to the Employees about Green Banking. Around 60% of the Respondents said that Dhaka Bank Limited has some certain independent and unique green initiatives like tree plantation. However, in terms of setting up Green Branches (energy efficient buildings), 65% of the Respondents answered positively. Finally half of the Respondents stated that, Dhaka Bank Limited's Higher Officials or top Management involves in environmental protection related planning and implementation. Few journals and reports published in different websites were reviewed for better understanding. Furthermore, few key findings were highlighted including the prospects of overall Financial Sector and Dhaka Bank Limited on Green Banking. At the end of this report, some recommendations were tried to provide based on the findings of the survey results and other analysis.

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1: Company Profile

Bangladesh is a developing Country where Banking sectors plays a very significant role for the economic prosperity of the country. The Banking system of a country also can be considered as an indicator of its economic richness. Modern trade and commerce is highly dependent on a good Banking system. In present days, Banks act both as custodian of public money and a vital agent for maintenance of a well-balanced financial position of a country.

From all the private commercial Banks those operates in Bangladesh, Dhaka Bank Limited is in the leading position. The primary objective of the Bank is to maintain the reputation and at the same time they have very simple application form, which is very simple to understand and as well as to fill the form. Besides, General Banking activities the Bank runs a successful brokerage house as a member of both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

As one of the top private commercial Bank, Dhaka Bank Limited (DBL) is offering for its Customers a full range of Corporate, Personal, Foreign Exchange, International Trade, Capital Market Services and Lease Finance. Mirza Abbas Uddin Ahmed was the founder of Dhaka Bank Limited. Dhaka Bank Limited included as a public limited Company under the Companies Act, 1994. On July 05, 1995, Dhaka Bank first started its commercial operation. At the time of starting, Dhaka Bank's authorized capital was of Tk. 1,000 million and paid up capital of Tk. 100 million.

Currently authorized Capital of Dhaka Bank Limited is Tk. 10,000 million. On December 31, 2017, Tk. 7,223 million was the Paid-up Capital of the bank. The total equity of Dhaka Bank including both capital and reserves stood at Tk. 15,828 million, on December 31, 2017.

As per the Dhaka Bank website and other sources, on 18 November 1999, Dhaka Bank went for the public issue of shares and its shares are listed by the Securities and Exchange Commission. At present Dhaka Bank is operating with 101 Branches including 2 Islamic Banking Branches in Motijheel and Chattogram. Also Dhaka Bank has 3 SME Service Centers, 56 ATMs, 20 ADMs, 2 Offshore Banking Units, 1 Kiosk and 6 Branches operating under Dhaka Bank Securities Limited throughout the country and all over the world with a wide network of correspondents.

1.1: Corporate Profile at a Glance

Features	Name, Address or Specifications
Name	Dhaka Bank Limited
Head Office	71, Purana Paltan Lane, Dhaka
Legal Status	Public Limited Company
Chairman	Mr. Reshadur Rahman
Managing Director & CEO	Syed Mahbubur Rahman
Date of Incorporation	April 06, 1995
Authorized Capital	BDT 10,000 Million
Paid up Capital	BDT 7,223 Million
Shareholding Pattern	Sponsors & Directors 39.61% General Public 37.86% Financial Institutions 18.08% Foreign Investors 0.13% Others 4.32%
Number of Employees	4,165 (As on 30.09.2018)
Telephone	+8802 5831 4424 (Hunting number), +8802 5831 4425-31, 5831 4624-8
Swift Code	DHBLBDDH
Website	www.dhakabankltd.com
E-mail	info@dhakabank.com.bd

Table 01: Company Profile of Dhaka Bank Limited

Source: Dhaka Bank Website

1.2: Vision and Mission statement

Vision

As per the website of Dhaka Bank Limited, the Bank's long term goal is to be the best Financial Institution in the country.

Mission

A team consisting of highly motivated and qualified Employees is working to achieve the Vision of Dhaka Bank Limited. For this, the team is delivering their best services to the Customers.

1.3: Departments of Dhaka Bank

Dhaka Bank Limited separates all of its jobs considering their interrelationship and they are apportioned in a specific office to control the framework viably. The offices are fitted for the specific works and the execution of a specific division is measured flawlessly. According to the website and other sources Dhaka Bank Limited has the following Divisions:

Departments of Dhaka Bank	Departments of Dhaka Bank
Human Resources Division	Cash Management Unit
Finance & Accounts Division	Card Business Unit
RMG Division	Treasury Division
Internal Control and Compliance	Operations Division
Research & Development Unit	Islamic Banking Division
Corporate Banking	Information Technology
CRM Division	Retail Business Division
CPC- Trade Operation	Legal Affairs Division

Table 02: Departments of Dhaka Bank Limited

Source: Dhaka Bank Website

1.4: Objectives

Like other Banks Dhaka Bank Limited have some objectives. Dhaka Bank is very much focused to achieve its vision and tries to get position in the mindset of the people by providing services that differ from others. Few objectives of Dhaka Bank Limited are highlighted below those found in the website.

- To make a strong relationship with Customers by providing best quality services.
- To give priority at peoples thought and make decisions based on Clients priority.
- To value Customers opinion.
- To try to make profit & sound growth by providing services.
- To work as a team to achieve the Vision of the Company.
- To try to innovate new business ideas and make improvement.

1.5: Corporate values

Few of the corporate values of Dhaka Bank Limited are pointed below:

- Focus on Customer
- Integrity
- Maintain Quality
- Continue Teamwork
- Respect for other individuals
- Responsible to other Citizens.

1.6: Corporate Social Responsibility (CSR)

As the Central Bank have some directions to have CSR activities for every Financial Institutions. Dhaka Bank Limited involves in some CSR activities like charity, social welfare and other benevolent activities. Dhaka Bank Limited involved in the Social Welfare mainly to promote the objectives of the Bank. By doing this, Dhaka Bank providing direct assistance to various

development projects and people. A five member of CSR committee have been formed by Dhaka Bank. Honorable Managing Director (MD) of the Bank is the Chief personnel of the committee. Moreover, Dhaka Bank Foundation, established in 2002 as a non-profitable, non-governmental organization to follow the overall activities and management of the CSR fund of the Bank. Recently, Dhaka Bank has taken the decision to provide 2% of the pre-tax profit each year as its CSR activities.

1.7: DHAKA BANK LIMITED'S STRENGTH & CONFIDENCE

Few strengths of Dhaka Bank Limited are pointed below:

- To have a vibrant and passionate Board of Directors.
- A capital base that is very healthy and strong.
- Highly motivated and qualified team members.
- Qualified Professionals for Management.
- Perfect strategies and management policies towards Vision.

To achieve the vision, Dhaka Bank Limited has confidence on itself. Few of them are highlighted below:

- Capability of leading the competition in a changing business environment.
- A perfect business growth with a view to create sustainable stakeholder value.
- Have the Spirit of learning and adapt to the changes happening around us.
- Perfect combination of products and services to meet Customer needs.

1.8: Products and Services offered by Dhaka Bank Limited

Products offered by Dhaka Bank Limited –

- ❖ Term Loan – Machineries & Construction.
- ❖ Lease Finance (Machineries)
- ❖ Loans for Foreign Currency.

Dhaka Bank experience in Project Financing a wide span of Businesses and Industries. A Customer can take loan for the following Sectors particularly:

<ul style="list-style-type: none"> • Textile, Ready Made Garments • Cement • Steel & Engineering • Paper & Packaging • Jute Industry • Telecom, Media and Technology • Power Sector • Glassware 	<ul style="list-style-type: none"> • Edible Oil and Consumer Products • Energy and Infrastructure • Chemicals and Pharmaceuticals • Construction • Renewable Energy (Solar Energy) • Ship-building • Aviation • Healthcare
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Source: Dhaka Bank Website

1.9: TRADE FINANCE

Nowadays Businesses are not beyond the geographical boundaries. Modern Banking has a major wing namely Foreign Trade. To support the Businesses of the Customers, Dhaka Bank Limited have a strong base for offering wide range of products and services those related with Trade Finance.

<ol style="list-style-type: none"> 1. Export LC (Advising & Transfer) 2. Export Bill Negotiation/Collection 3. Import Bill Handling 4. Financing for Import 	<ol style="list-style-type: none"> 5. OBU Financing 6. Loan for EDF 7. Shipping guarantee
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Source: Dhaka Bank Website

1.10: WORKING CAPITAL FINANCE

Working Capital is the most needed component for any new established projects. Having it in mind, Dhaka Bank Limited in its working capital financing includes all sorts of facilities for every sector of businesses and industries with respect to their process of operation. Dhaka Bank Limited provides products and services to finance working capital depending on the nature of facilities can be segmented as follows –

Funded Facilities	Non – Funded Facilities
<ol style="list-style-type: none">1. Short Term Loan (3, 6, 9 months)2. Overdraft – Others3. Overdraft – Work Order4. Cash Credit (Hypothecation, Pledge)5. Loan against Trust Receipt (LTR)6. Time Loan	<ol style="list-style-type: none">1. Letter of Credit (Cash LC, BTB LC, UPAS, EDF etc.)2. Bank Guarantee (BB, PG, APG, Payment Guarantee, FC)

Source: Dhaka Bank Website

1.11: CASH MANAGEMENT SOLUTIONS

<ol style="list-style-type: none">1. Payment & collection solution2. Bulk cheque Processing3. Utility Bill collection4. Vendor/Salary Payment	<ol style="list-style-type: none">5. Cash pickup & Delivery6. Hajj Remittance Processing7. Managing IPOs as Lead Bank8. Act as Banker to the issue of IPOs
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Source: Dhaka Bank Website

2: Introduction

Environmental pollution and climate change leading to global warming are one of the three most examined issues around the globe. These issues, for the most part brought about by human exercises, are not just influencing our economy and our expectations for everyday comforts, except our very presence is reliant on the productive administration of these issues.

The geographic location of Bangladesh makes it a standout amongst the most climate vulnerable area of the world. Absence of mindfulness, natural training, consistence and carelessness with respect to the organizations and the mass individuals are additionally bringing about quick weakening of the earth. This circumstance must be improved through composed endeavors from the administration, private division, and people. What's more, banks and Financial Institutions (FI) are very much situated to go about as impetuses to help and enhance these endeavors went for a greener environment.

Green Banking (GB) refers to the activities performed by the Financial Sector having unique interest for the ecological, environmental and social components, focusing on preservation of nature and regular assets. The term comprehensively envelops mindfulness creation and improves condition of society enhancing activities and practices, and decrease of generally carbon footprint from the two its financing and in-house tasks. By performing Green Banking activities, the Financial Institutions are required to improve their own benchmarks, yet in addition assume a functioning job in requesting the equivalent from their followers.

Until a few years prior, most banks did not run through Green Banking or effectively look for speculation openings in eco-accommodating divisions or organizations. Recently have these procedures turned out to be increasingly pervasive, not just among substantial scale local and foreign banks yet in addition among expanded budgetary specialist co-ops, resource the executives firms and insurance agencies. Despite the fact that these organizations may contrast with respect to their expressed inspirations for expanding green items and administrations (for example to improve longer development scenario, or manageability standards based on a firm is based), the development, variety and advancement on which such improvements demonstrate that our country is amidst a promising drive to coordinate green products into standard Banking.

This particular report is expected to dive deeper into the green initiatives practices by Dhaka Bank Limited to comprehend the elements behind its appropriation for green banking, Also to think about how correctly the association clung to the important arrangements set somewhere near the Central Bank in this manner brining proficiency and compelling measures in its frameworks and tasks.

2.1: Rationale of the study

Climate change and global warming are the most complicated and talkative issues the World is facing now. World temperature is increasing day by day. Different human activities are mainly responsible for this. We use papers in our day to day activities. And for this, we have to cut plenty of tress. As a result the number of trees in the world is decreasing very significantly. Financial Institutions specially the Banks uses huge number of papers for their daily activities. Though the Banks or Financial Institutions are not directly responsible for environmental degradation, but they can play a significant role to keep the surrounding environment and others free from being polluted. Banks may reduce the use of paper by introducing different online services. As a result the use of papers will go down. On the other hand, to provide fund to the industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., that causes maximum carbon emission, the Financial Sector is one of the key sources to provide this fund. Therefore, Financial Institutions can be a connector between economic development and environmental protection, to promote environmentally sustainable and socially responsible investment. So, to support the reduction of external carbon emission, like other Financial Institutions, Dhaka Bank Limited should finance green technology and pollution reducing projects. In fact Dhaka Bank Limited is already financing the projects those are environment friendly. Although, financing is never considered a polluting industry, the present scale of financing operations have increased considerably the carbon footprint of Financial Institutions resulting their massive use of energy (e.g., lightning, temperature maintaining, electronic/electrical equipment, IT, etc.), high paper wastage, lack of green buildings, etc.

2.2: Statement of the problems

Due to various human activities the world temperature is increasing very significantly. It's the main reason for Global warming. We use paper for our day to activities. And most of the papers are made from trees. So the number of trees and forests are decreasing day by day. As a result the environment is facing different problems. Global warming, increase of CFCs, Green House effect, different natural disasters are the results of this. My objective for this research is to find the effects for the reduction of forests and how the term "Green Banking" can help the Financial Institutions like Banks.

2.3: Scope of the study

To prepare this report I came to know about the effects and reasons of Global warming and climate change. The study was concerned with the operations and performance of the Financial Sectors of Bangladesh and Dhaka Bank Limited with regard to Green Banking only. To have the idea whether the policies and measures adopted by the organization is adequate or not. Policies and instructions laid down by Bangladesh Bank taken as benchmark of the study. The study also reflected the attitude of the top level management in cases of practicing Green Banking.

2.4: Limitation of the Study

Various problems have been faced during the accomplishment of the study. These problems may be pointed as limitations of the study, stated as follows:

- Time was limited to conduct the research and prepare the reports.
- As Green Banking is relatively new in Bangladesh, most of the peoples might not have clear idea about Green Banking policies or methods. So information collection was not that much easy.
- Implementation time of following Green Banking by all scheduled Banks is not over yet. That's why information is not available of all the Banks.
- Initiatives for Green Banking of other Banks are little that's why good comparison of bank to bank is not that much possible.

- Written documents were not available in different sources to make a comprehensive study.
- Few important materials were not available during the completion of my report, like concrete data or statistics on Green Banking in Bangladesh.
- All Banks do not publish their report on Green Banking. So to know about the initiatives and investments of other Banks on Green Banking was not easy.

During completion of this report, essential and up to date information was not possible to be gathered. From my perspective, if it were possible, a full fledged and comprehensive report could be prepared.

2.5: Objective of the study

Broad Objective: The most prioritized objective of this is to know and have some idea about the problems and prospects of Green Banking activities practiced by the Financial Sector in Bangladesh. Finally it is tried to know the initiatives of different Banks (especially Dhaka Bank) on Green Banking.

Specific Objective: Along with the broad objectives, few specific objectives are also defined below:

- To have the basic knowledge about Green Banking.
- To have the idea how different Financial Institutions practicing Green Banking activities.
- To evaluate Green Banking performance of different Banks in Bangladesh.
- To identify the initiatives Dhaka Bank Limited took for Green Banking.
- To make a comparison between Dhaka Bank Limited and other Banks investment portfolio in eco-friendly sectors.
- To identify Dhaka Bank's in-house use of technology (i.e. software) for delivery of service and development of processes.

3: Literature Review

To keep the environment free from pollution and reduce greenhouse effects by rationalizing Financial Institutions especially Banks strategies, policies, decisions and activities related to Banking Services, Business and in-house operational activities is generally referred as Green Banking. Globally the Banks are taking these initiatives to protect the environment from their side. There are lots of publications regarding Green Banking.

Rahman, A. (2010) at his publication highlighted the current monetary and credit policy of the Central Bank that working to accomplish broader financial area. As the regulator, Bangladesh Bank initiated low cost Banking approach with the help of technology, innovative ideas, and environment friendly systems with the aim of bring a qualitative change in banking, to prepare monetary policy, to apply advanced banking technology and better use of Information and Communication Technology (ICT) with the intention of bringing financial services to the hand of common people.

Khan, R. (2012) at his article named “Go green, Think green”, highlighted Green Banking as the process of moving the Financial Sector into a condition by allowing for social, ecological and environmental factors with a view to conserve natural resources and protect the environment from being polluted. Financing investment for commercial projects the Financial Sector plays a significant role. Alam, S. (2012) also gave his opinion that, to gain economic growth perfect economic activities is needed. Moreover he added, to protect the environment Financial Sector have a significant role to promote environmentally sustainable and socially responsible investment. Green Banking also refers the terms of Ethical Banking and Sustainable Banking.

Ullah, R. (2011) mentioned in his publication that Bangladesh is one of the least developed countries that is suffering the worst by the activities of the eastern countries. Eastern and western countries are polluting the environment very much and countries like Bangladesh is suffering from their activities. Policy guidelines set by Bangladesh Bank regarding Green Banking focuses on the process of keep the environment safe and reduce pollution while providing services to the Customers and improve in-house environment condition by using the resources effectively and efficiently.

Biswas, N. (2011) mentioned in his article that Green Banking still not the deciding factor for most of the Customers to select their preferred Financial Institutions. Mr. Biswas said that by increasing customer demands and greater environmental awareness Financial Institutions can be forced to go for taking green initiatives. According to Millat, M. (2013) Bangladesh is pursuing low-carbon green development. Bangladesh Bank with the help of Bangladesh Government set the Sixth Five Year Plan (FY 2011-15) that contains clear commitment to pursue sustainable growth. In the year 2011, Basic Bank Limited initiated Green Banking Policy to increase awareness regarding climate change and environmental degradation. However, efficiency in the use of energy, water and waste management can protect our environment from being polluted. Financial Institutions also can contribute to the environment by using energy, water, paper etc efficiently.

Bangladesh Bank (2011) made policy guidelines regarding Green banking. As per the Guidelines, all the Banks operating in Bangladesh and Financial Institutions are instructed to take measures those are effective Banking activities in the Country that supports the environment. Also there is a common reporting format set by Bangladesh Bank to all the scheduled commercial Banks. Currently regarding Green Banking activities all scheduled Banks and other Financial Institutions submit a quarterly report to Bangladesh Bank.

4: Methodology

The study was conducted on Dhaka Bank Limited and other Banks like Bangladesh Bank to know the present situation in different Organizations about the term Green Banking. From Dhaka Bank, Senior Officials of different divisions were interviewed to take information. A survey was conducted to do primary research and to understand better of the initiatives, challenges and problems on prospect of Green Banking.

- **Data Collection**

Both primary and secondary sources were used to get the data needed to conduct this survey and prepare the report.

- Primary

The primary data has been collected through the survey from Dhaka Bank Limited's different divisions' employees. Few Senior Officials were requested to give their opinion for better understanding of the current situation.

- Secondary

Few studies have been checked out on the prospects of Green Banking in Bangladesh. Different journals and articles were the main sources for this report. In the literature review part the collected information from the secondary sources is summarized. Moreover, different available information from newspapers, websites of other Banks, Bangladesh Bank publications and annual reports of few Banks has also been used....

- **Statistics**

For data analysis interpretation graphs including Bar chart, Pie chart, and other graphs that are relevant were used.

- **Survey questions type**

To conduct this survey the respondents were asked both open ended and close ended questions. Different Officials gave their valuable opinion through their response to the survey.

5: Data Analysis and Interpretation

5.1.1: Green Finance against total Loan Disbursement:

All scheduled Banks except Probashi Kallyan Bank have formed their own Sustainable Finance Unit and Green Banking Policy Guidelines. Also all the Financial Institutions except Lankan Alliance Finance Limited formed their own Green Banking Policy Guidelines.

In the last quarter (October-December) of 2018, all scheduled Banks disbursed total Tk.2,270,784.88 million as loan. From that Tk.21,090.38 million was financed for Green Banking. On the other side 34 Financial Institutions disbursed Tk.172,854.57 million as loan and they financed Tk.2,630.23 million for Green Initiatives.

After analysis, it can be said that the Financial Institutions invested more for Green Initiatives than the Banks. Financial Institutions invested 1.52% of their total loan disbursement for Green Finance. From the Banks the Private Commercial Banks (PCBs) financed highest for Green Banking, that is 1.16% of their total loan disbursement in the last quarter of 2018. Moreover, SOCBs financed 0.22% and FCBs financed 0.03% for Green Banking in the period of October-December 2018.

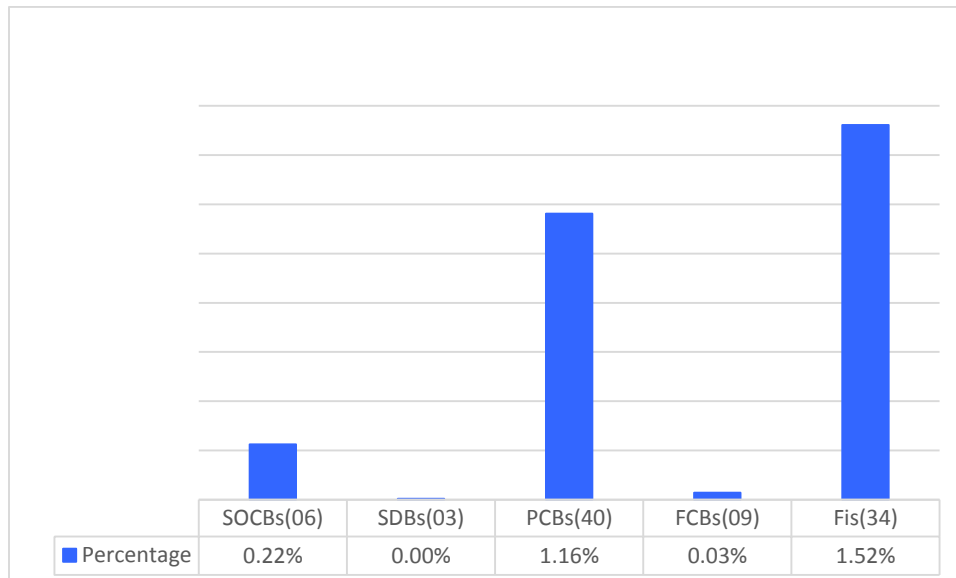


Figure: Green Finance against total Loan Disbursement

5.1.2: Green Finance portion on Financial Sector:

In the diagram below it is tried to identify that if we consider Green Finance as 100%, from that which type of Financial Institutions invested how much. Actually here I tried to identify the type of Financial Institutions invested more for Green Financing.

After analyzing the data from the last quarter of 2018, available in Bangladesh Bank website, it is found that the Private Commercial Banks (PCBs) invested highest portion for Green Financing, which is about 87.29%, out of total 100% Green Financing by the Financial Sector. Moreover, the other Financial Institutions (FIs) also invested a significant portion for Green Financing. The FIs financed 11.09% for Green Financing in the last quarter (October-December) of the year 2018. On the other hand, Green Financing portion of the SOCBs, FCBs and SDBs are not that much satisfactory. They financed 1.23%, 0.39% and 0.01% respectively.

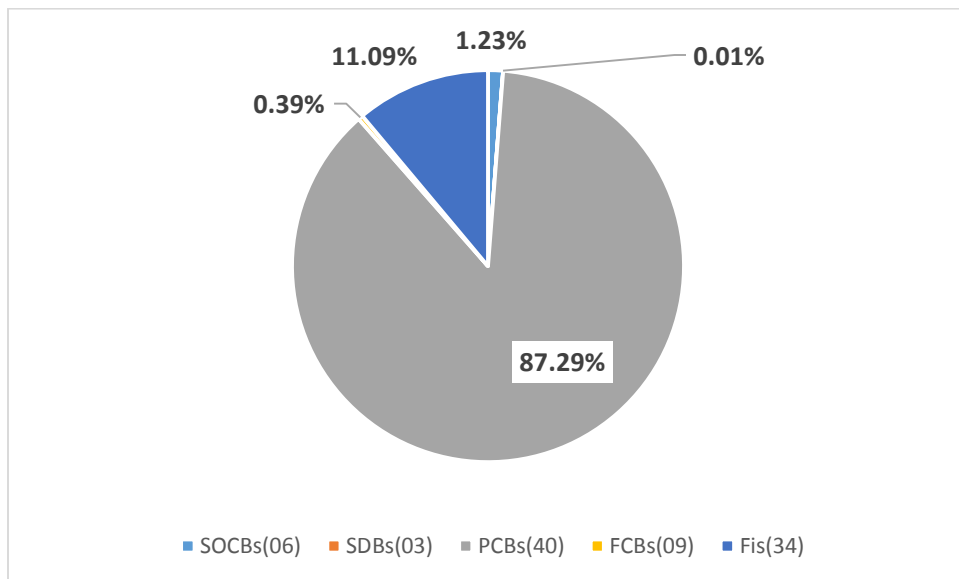


Figure: Green Finance portion of Financial Sector

5.1.3: Green Finance across All Categories:

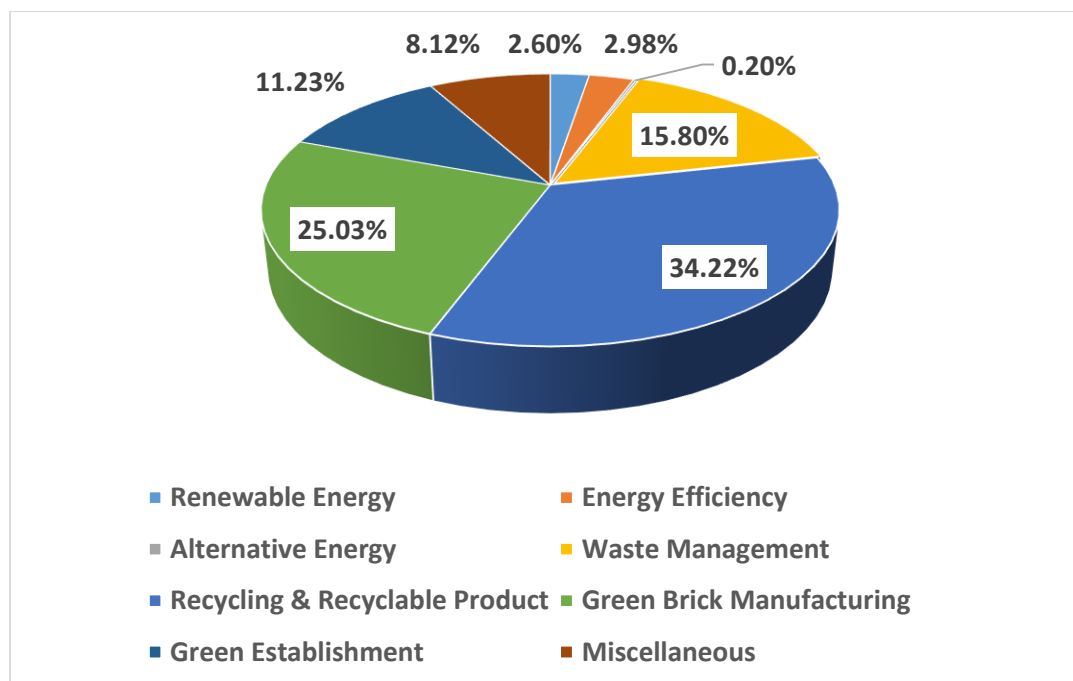


Figure: Green Finance across All Categories

In this part I tried to know the percentage of different Green Initiatives by the Financial Sector of Bangladesh. Here the information was taken from the report on Green Banking that published by Bangladesh Bank every quarter.

According to the data of the final quarter report of Bangladesh Bank of the year 2018, we can see that, our Financial Sector financed highest amount of money for Green Initiatives in the Recycling and Recyclable product sector. They financed 34.22% of their total investment for Recycling and Recyclable product. The second highest amount the Financial Sector invested for Green Financing is Green Brick Manufacturing, which is 25.03% of the total financing. The third highest amount financed is 15.80%, that is for the Waste Management sector.

Also in other sectors like Green Establishment, Renewable Energy and Energy Efficiency Financial Institutions invested 11.23%, 2.60% and 2.98% respectively. The lowest amount invested in the Alternative Energy sector, which is only 0.20% of the total financing by the Financial Sector in October – December period of the year 2018.

5.1.4: Other Bank comparison:

As per the Bangladesh Bank’s Environmental Risk Management (ERM) Guidelines, every Bank has to adopt Green Banking initiatives. Banks and FIs were instructed by the Central Bank to form a ‘Climate Risk Fund’ having allocation at least 10% of their Corporate Social Responsibility budget for Climate Risk Fund to ensure the movement towards sustainability against the climate change.

According to the Guidelines set by the Central Bank, different Banks disbursed different amount for their Green Banking purpose. In the following figure, it is tried to compare between some of the Banks Green Banking financing amount for the year 2017. All the data are collected from the annual report from respective Banks.

In the year 2017, BRAC Bank disbursed Tk 11,000 million for Green Banking purpose, that is very significant amount compare to other Banks. Moreover, the disbursed amount of Dhaka Bank is also remarkable. Dhaka Bank Limited invested 6461.85 million Tk for Green Banking and sustainability development in the year 2017. On the other hand, Prime Bank, Janata Bank and Dutch Bangla Bank Limited (DBBL) financed Tk 2991.48 million, Tk 4300 million and Tk 159.8 million respectively in the year 2017 for Green Banking initiatives.

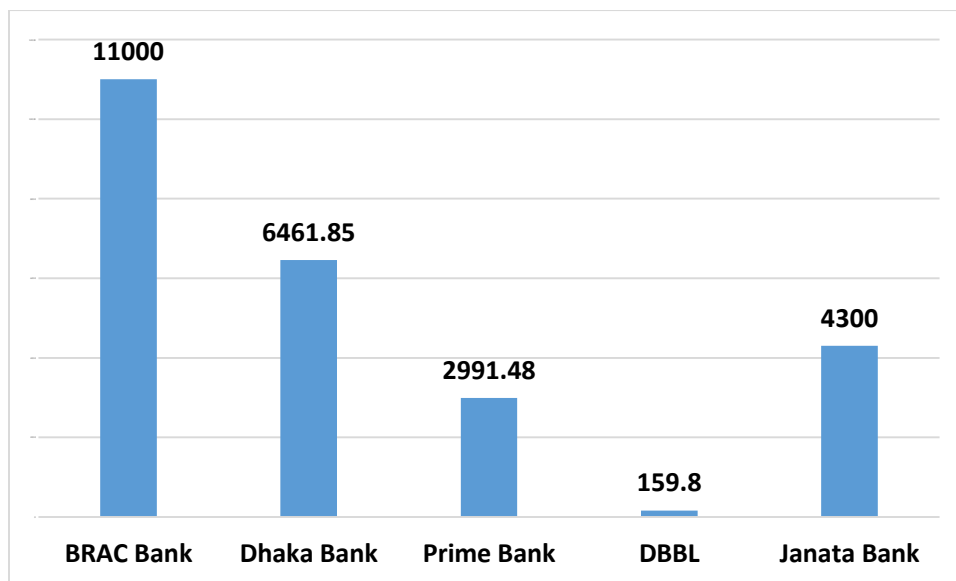
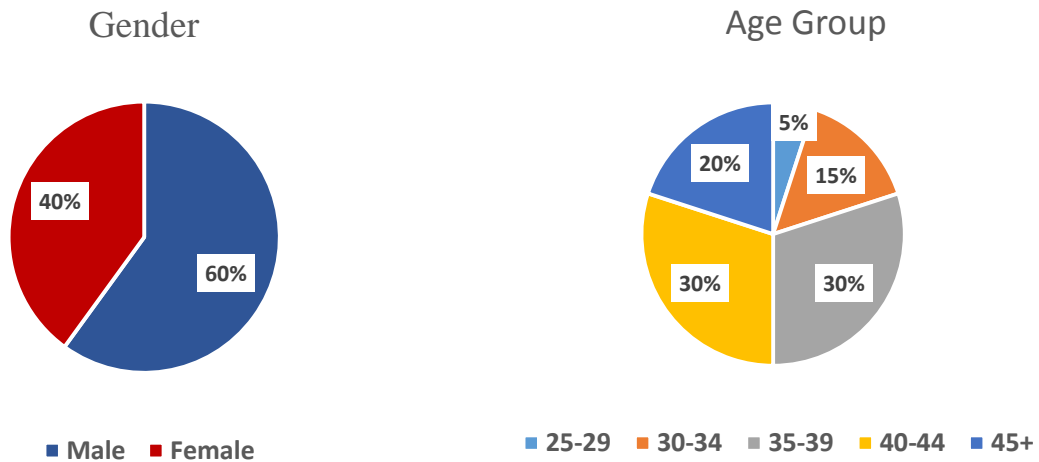


Figure: Different Banks disbursement for Green Financing in 2017 (amount in million Tk.)

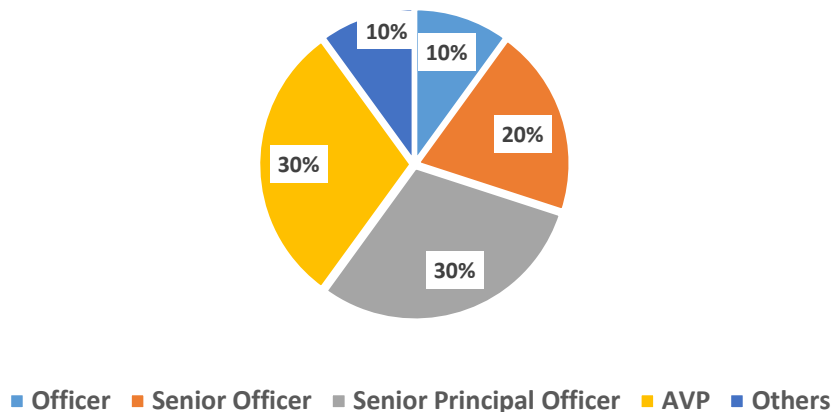
5.2: Survey Responses and Interpretation

Demographics:

To know about the present condition, future initiatives and prospects of Dhaka Bank Limited in terms of Green Banking, a survey was conducted. There were 40 respondents in total. Out of them 60% were male and 40% were female respondents. Most of the respondents are from 35-44 age groups. Most the Respondents are working as Assistant Vice President (AVP) and Senior Principal Officer (SPO) at Dhaka Bank Limited. From the Respondents Officer and Others are lowest. They covers only 20% of the total Respondents.

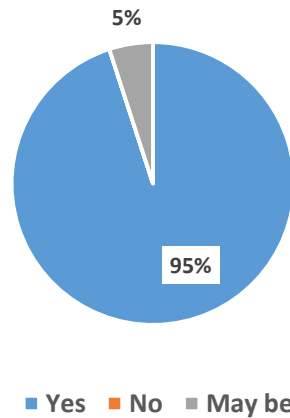


Designation at DBL



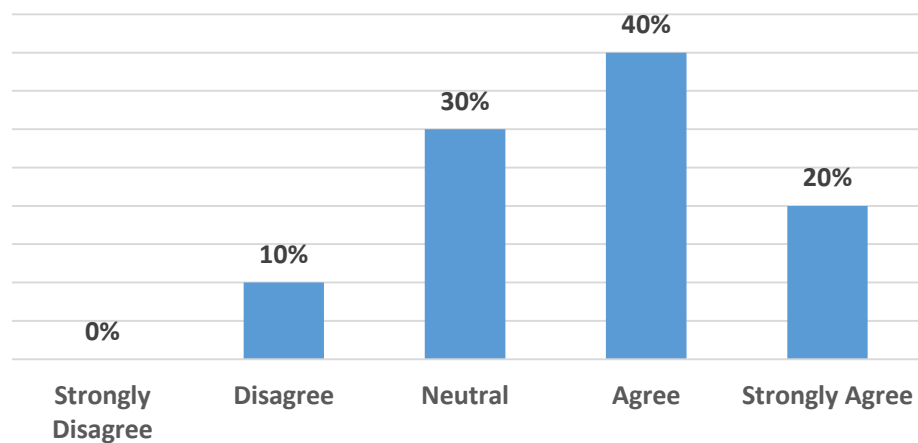
Question 1: Do you have some Ideas about Green Banking?

The first question was asked to the Respondents to know about their ideas about Green Banking. The answer is very satisfactory. 95% of the Respondents said that they have the clear idea about Green Banking. Only 5% of them said they might have some ideas about Green Banking. None of the Respondents said they don't have any idea about Green Banking.



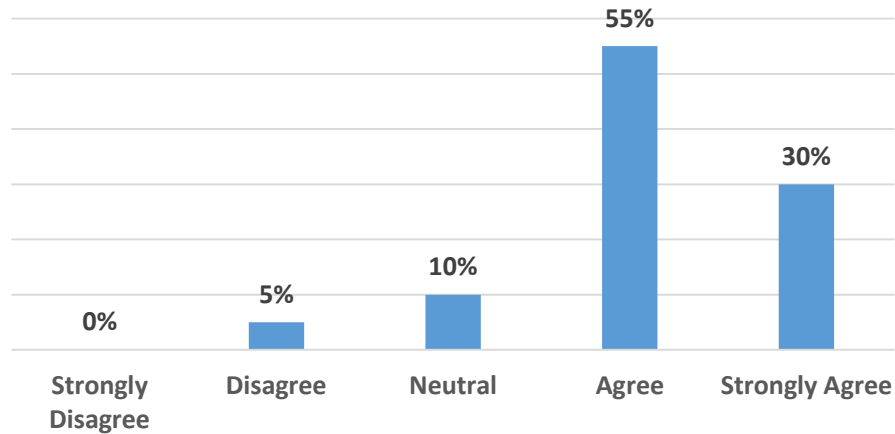
Question 2: Dhaka Bank Limited provides proper training to the Employees about Green Banking

When the Respondents were asked about the training of Green Banking at Dhaka Bank 40% of them agreed with the statement. 30% of the Respondents were in between agree and disagree with the statement. Only 10% of the Respondents disagree with it.



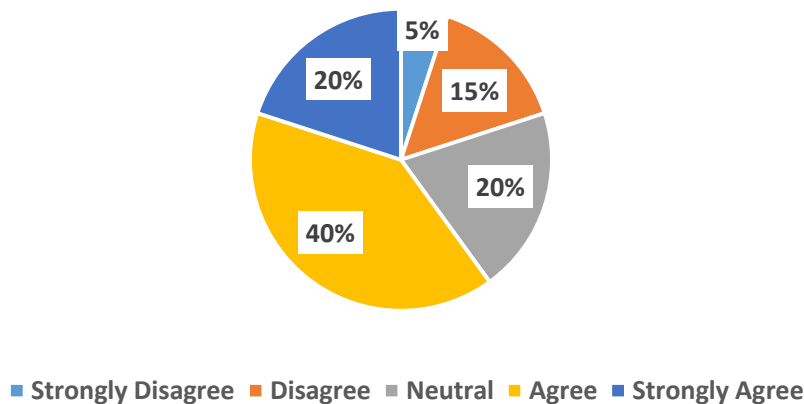
Question 3: Dhaka Bank Limited has initiatives to reduce paper usage and other wastage of materials

Here the Employees were asked to know about the initiatives of Dhaka Bank to reduce of paper usage and other wastage of materials. 55% of the total Respondents agreed that Dhaka Bank has initiatives to reduce of paper usage. Moreover 30% of them strongly agreed with the statement, which is very satisfactory.



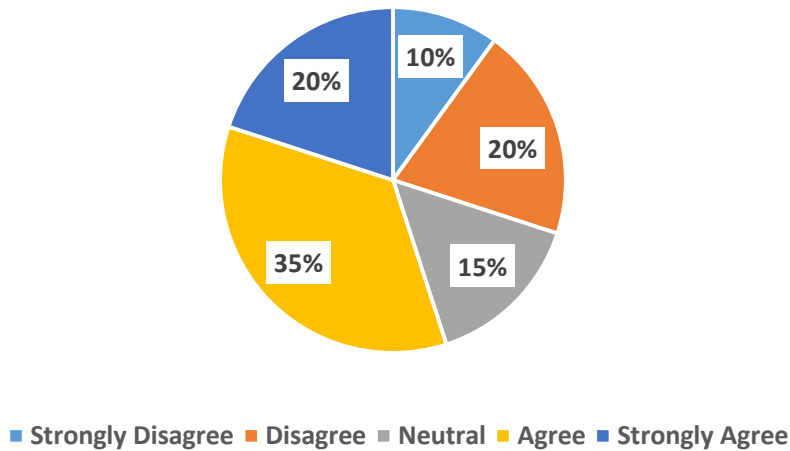
Question 4: Dhaka Bank Limited has initiatives to introduce Energy efficient equipment, system solutions and practices [ATMs, LED lighting, SWIFT transfer etc.]

The highest number of respondents agreed with the statement that Dhaka Bank Limited has initiatives to introduce energy efficient equipment. Moreover, 20% of them strongly agreed with the statement. 20% of them are at neutral position and only 5% of them disagreed with the statement.



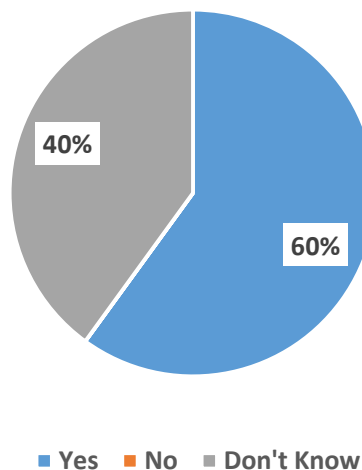
Question 5: Dhaka Bank Limited provides more facilities to environmental protection and energy saving related projects

35% of the Respondents believe that Dhaka Bank provides more facilities to environmental protection and energy saving related projects. 20% of them strongly believe this. But 10% of the Respondents disagreed with the statement.

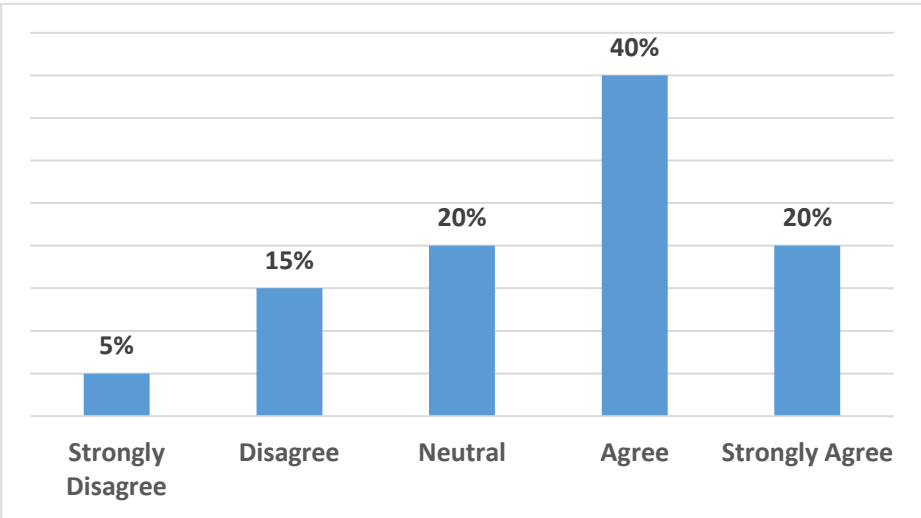


Question 6: Dhaka Bank Limited has some certain independent and unique green initiatives like tree plantation

24 Respondents out of total 40 said that Dhaka Bank Limited has some certain independent and unique green initiatives like tree plantation that is 60% of the total respondents. However, 40% of the Respondents replied that they don't have any idea about this.



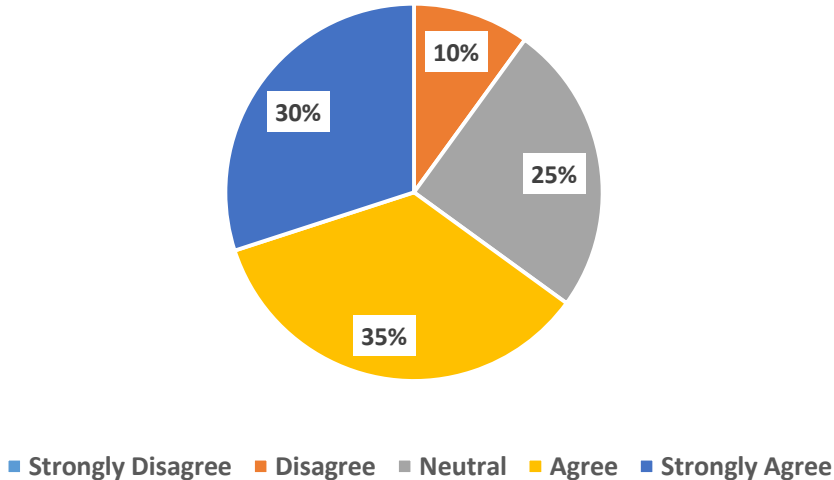
Question 7: Dhaka Bank Limited promotes and facilitates environmental oriented Enterprises through special grants, loans and guidance



40% of the Respondents think that Dhaka Bank Limited promotes and facilitates environmental oriented Enterprises through special grants, loans and guidance. 20% of them strongly agreed with this statement. However, 5% of the total Respondents strongly disagreed with the statement.

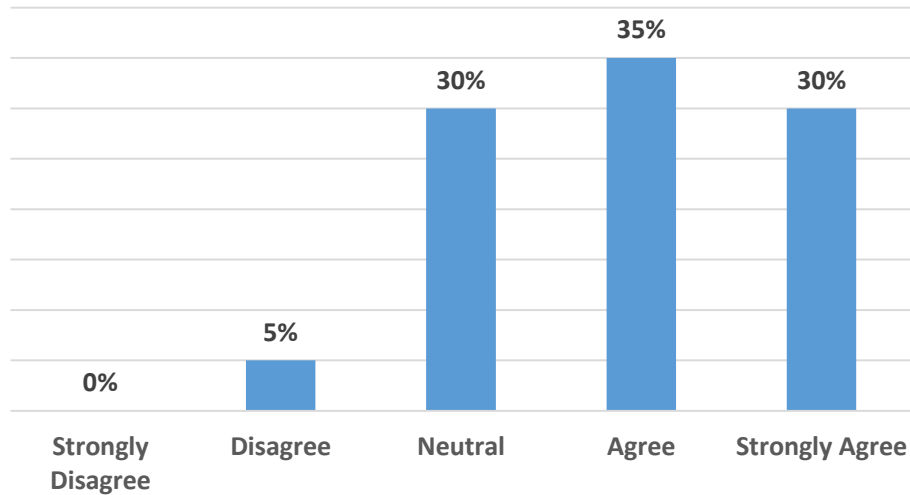
Question 8: Dhaka Bank Limited has initiatives in setting up Green Branches [energy efficient buildings/green buildings]

In total 65% of the Respondents agreed that Dhaka Bank Limited has initiatives in setting up Green Branches that is very remarkable. Moreover, 25% of the Respondents were in neutral position and only 10% of them disagreed with the statement.



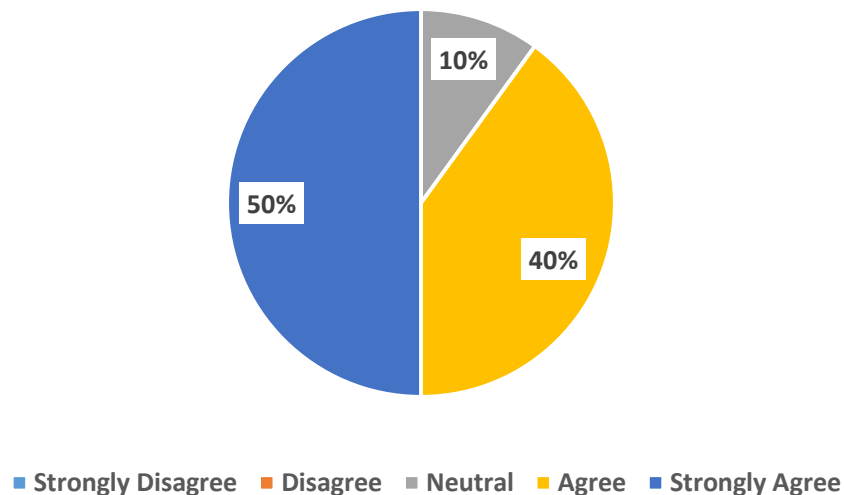
Question 9: Dhaka Bank Limited has environmental related agreements with relevant Parties/Stakeholders [Suppliers, Customers etc.]

Highest number of Respondents agreed with the statement that Dhaka Bank Limited has environmental related agreements with relevant Parties/Stakeholders that is 65% of the total Respondents. Only 5% of them disagreed with the statement.



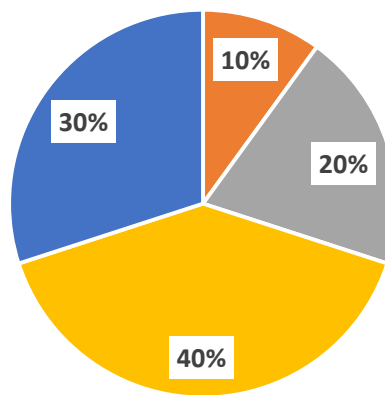
Question 10: Dhaka Bank Limited's Higher Officials or top Management involves in environmental protection related planning and implementation

20 Respondents strongly agreed that Dhaka Bank Limited's Higher Officials or top Management involves in environmental protection related planning and implementation, that is 50% of the total Respondents. 40% of them agreed with it and only 10% were neutral on this statement.



Question 11: Dhaka Bank Limited purchases its stationeries, equipment and other items from environmental friendly Companies [e.g. printers, computers, and etc.]

The final question was asked to the Respondents to know if Dhaka Bank Limited purchases its stationeries, equipment and other items from environmental friendly Companies. In total 70% of the Respondents said that Dhaka Bank Limited purchases materials like printers, computers etc from environmental friendly Companies. 20% of the Respondents were in neutral position. However, 10% of the Respondents disagreed with the Statement.



■ Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree

6: Key Findings

6.1: Findings from Bangladesh Bank Report on Green Banking

According to BRPD Circular No.01/2011, Central Bank issued Environmental Risk Management (ERM) Policies for Banks and other Financial Institutions (FIs). Also in the year 2011, the Central Bank issued Green Banking Policy Guideline for Banks vide BRPD Circular 02/2011. In the next year, a structured reporting format for reporting Green Banking activities in a particular manner for Banks was introduced. According to GBCSRD Circular No. 04/2013 and GBCSRD Circular Letter No. 05/2013 in the year 2013, Policy Guidelines for Green Banking was also issued for the Financial Institutions (FIs) and for the scheduled Banks.

After analyzing the data from the last quarter of the year 2018, it is found that all the Banks and other Financial Institutions have disbursed a significant amount of money for Green Financing. The Financial Institutions except Banks invested more for Green Initiatives. The Foreign Commercial Banks (FCBs) disbursed very lower amount of money for Green Initiatives. On the other hand, in terms of total portion of Green Financing, Private Commercial Banks (PCBs) are at the top position. It indicates that the PCBs are taking initiatives for sustainable development. Each year the Private Commercial Banks are increasing their disbursement for Green Banking purpose. But the Green Financing portion of the SOCBs, FCBs and SDBs are not satisfactory. Their disbursement amount for Green Initiatives is very poor compare to Private Commercial Banks (PCBs).

In the last quarter of 2018, Financial Sector invested highest amount of money for Recycling & Recyclable Product. It indicates that our Financial Sector is trying to contribute to the environment. Moreover the Financial Sector also invested a large portion for Green Brick Manufacturing. As our traditional brick making method is very harmful for the environment, our Financial Sector's initiative has very positive impact to the environment. But it is a matter concern that, our Financial Sector did not invest so much for Renewable Energy and Alternative Energy Sector. It indicates that they are not so much concern about the alternative sources of energy. But to gain sustainability in the long run we must think about the alternative energy.

Though most of the Banks are increasing their investment for Green Initiatives, a few of the Financial Institutions are still far behind compare to others. In Bangladesh Private Commercial Banks are highest in number. But all of them are not investing properly for Green Banking.

6.2: Findings from the survey

To know Dhaka Bank Limited's present condition about Green Banking, a survey was conducted where 40 Respondents gave their valuable opinion. Among them 95% Respondents have clear idea about Green Banking. A few of the Respondents have little bit knowledge about Green Banking. When the Respondents were asked about the training initiatives on Green Banking, 30% of them were neutral and 10% disagreed with the statement, which is a matter of concern.

Most of the Respondents believe that Dhaka Bank Limited tries to reduce the usage of papers and have some initiatives about other wastage of materials. However, in total 15% of the Respondents were in neutral position and disagreed that Dhaka Bank Limited has initiatives for reduction of paper usage. More than half of the Respondents said that Dhaka Bank Limited has initiatives to introduce energy efficient equipment. Still around 40% of them don't think so.

It is a matter of concern for Dhaka Bank Limited that around 30% of the Respondents don't believe that Dhaka Bank provides more facilities to environmental protection and energy saving related projects. It indicates that there might be a gap for Dhaka Bank to finance in the environmental protection and energy saving related projects. 24 of the total Respondents said that Dhaka Bank Limited has some unique green initiatives like tree plantation. However more than 15 Respondents said they don't have any idea about this.

One fifth of the Respondents don't think that Dhaka Bank Limited promotes and facilitates environmental oriented Enterprises through special grants, loans and guidance. A few of them strongly disagreed with this statement. Again one fourth of the Respondents don't have ideas about Dhaka Bank Limited's initiatives in setting up Green Branches and 10% of the total Respondents disagreed with it. They think that Dhaka Bank Limited don't have any initiatives to set up Energy Efficient buildings.

More than 60% of the Respondents believe that Dhaka Bank Limited has environmental related agreements with relevant Parties/Stakeholders. However, around one third of the Respondents

were in neutral position and 5% of them don't think that Dhaka Bank Limited has environmental related agreements with relevant Parties/Stakeholders. One of the most positive thing is identified that half of the Respondents strongly believe that Dhaka Bank Limited's Higher Officials or top Management involves in environmental protection related planning and implementation. Moreover, 40% of the Respondents agreed with it. It indicates that Dhaka Bank Limited is so much interested in Green Banking and their Management is following the guidelines of the Central Bank. By doing this Dhaka Bank Limited is trying to contribute to the environment and gain long run sustainability.

Finally the Respondents were asked to know from where Dhaka Bank Limited purchases it's stationeries, equipment and other items. The result is very remarkable. More than two third of the Respondents said that Dhaka Bank Limited purchases materials like printers, computers etc. from environmental friendly Companies. One fifth of them were in neutral position, that indicates that they don't know from which types of Companies Dhaka Bank Limited purchases it's materials. But 10% of the Respondents think that Dhaka Bank Limited purchases it's materials from ordinary Companies.

7: Recommendations

All the Financial Institutions in Bangladesh are continuously working on Green Banking policy Guidelines set by Bangladesh Bank to make themselves more responsible to the society and environment. Financial Institutions plays an important role in the economy of the Country and to gain long run sustainability all the Financial Institutions specially the Private Commercial Banks must took some initiatives as soon as possible. After conducting the survey and analyzing the data from Bangladesh Bank, few suggestions can be made for all the Financial Institutions including Dhaka Bank Limited.

Firstly, awareness should be create among all the Employees of the Financial Institutions. There should be a proper training session in all the Financial Instructions on Green Banking. The Financial Instructions may have a designated slot for the training on Green Banking at the time of new recruitment.

Secondly, the Central Bank should monitor whether the Financial Institutions are following the Guidelines set by them. Bangladesh Bank may have a team to observe the situation of the Financial Institutions. The team can give proper feedback and Guidelines to the Institutions. Bangladesh Bank should impose hard and fast rule to practice Green Banking. As it is the high time to protect our environment from being destroyed.

Moreover, the Banks including the other Financial Institutions may have a separate department for Green Banking purpose. The department may maintain the Guidelines set by the Central Bank. They also can help their Institutions to identify the environment friendly projects, so that the Bank can finance to that projects to inspire more environment pleasant initiatives.

Last but not the least, all the Financial Institutions should create mass awareness among all the people including their Employees about the protection of the environment. For doing this, Banks and other Institutions can display some placards conveying the message on environment protection, so their Clients can also know about this. However, the Financial Institutions can arrange some seminars on Green Initiatives to create awareness among all classes of people.

8: Conclusion

To protect our environment from the ravages inflicted on it by mankind, to have Sustainable Development and to preserve the environment from being polluted are now recognized globally as overriding imperatives. Reducing the use of fossil fuels and decreasing paper uses are common issues regarding these initiatives. There is a 3R's viz regarding Green initiatives. 3R means Reduce, Reuse and Recycle. Everywhere in the World, Financial Institutions are concerned about the protection of the environment. Like other Countries' Central Bank, Bangladesh Bank also made some policy guidelines for the Financial Institutions to promote Green Banking. All the Financial Institutions and Banks brought under supervision through these guidelines. As per the circular of Bangladesh Bank published on December 01, 2016, all Banks and Financial Institutions are required to establish Sustainable Finance Unit and Sustainable Finance Committee. At the same time they have to abolish both Green Banking and CSR units to form the committee. According to the guidelines set by Bangladesh Bank, Dhaka Bank Limited also has some initiatives to protect the environment. In the year 2017, Dhaka Bank financed in 86 projects having ETP (Effluent Treatment Plant). Also Dhaka Bank Limited financed BDT 118 million solar panel or renewable energy plant. Moreover, Dhaka Bank Limited also invested in environment friendly brick manufacturing Industry, Hybrid Hoffman Kiln (HKK). These indicates that, Dhaka Bank Limited is trying it's level best to implement the guidelines of Bangladesh Bank and attain Sustainable Development.

9: References:

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- Dhaka Bank Limited | Excellence in Banking. (n.d.). Retrieved April 10, 2019, from <https://dhakabankltd.com/>
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10: Appendix

Survey Questionnaire:

Gender

- Male
- Female
- Others

Age Group

- 25-29
- 30-34
- 35-39
- 40-44
- 45+

Designation at Dhaka Bank Limited (DBL)

- Officer
- Senior Officer
- Senior Principal Officer
- Assistant Vice President (AVP)
- Others

Question 1: Do you have some Ideas about Green Banking?

- Yes
- No
- May be

Question 2: Dhaka Bank Limited provides proper training to the Employees about Green Banking

- Strongly Disagree
- Disagree
- Neutral

- Agree
- Strongly

Question 3: Dhaka Bank Limited has initiatives to reduce paper usage and other wastage of materials

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 4: Dhaka Bank Limited has initiatives to introduce Energy efficient equipment, system solutions and practices [ATMs, LED lighting, SWIFT transfer etc.]

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 5: Dhaka Bank Limited provides more facilities to environmental protection and energy saving related projects

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 6: Dhaka Bank Limited has some certain independent and unique green initiatives like tree plantation

- Yes
- No
- Don't know

Question 7: Dhaka Bank Limited promotes and facilitates environmental oriented Enterprises through special grants, loans and guidance

- Strongly Disagree
- Disagree
- Neutral

- Agree
- Strongly

Question 8: Dhaka Bank Limited has initiatives in setting up Green Branches [energy efficient buildings/green buildings]

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 9: Dhaka Bank Limited has environmental related agreements with relevant Parties/Stakeholders [Suppliers, Customers etc.]

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 10: Dhaka Bank Limited's Higher Officials or top Management involves in environmental protection related planning and implementation

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly

Question 11: Dhaka Bank Limited purchases its stationeries, equipment and other items from environmental friendly Companies [e.g. printers, computers, and etc.]

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly