

Report On
Sustainable Banking Approach of The City Bank and its impacts

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Masters of Business Administration

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my original hard work while completing my degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been submitted for any other degree at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

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BRAC University

Letter of Transmittal

Dr. Syed Mahbubur Rahman

Associate Professor

BRAC Business School

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66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on the sustainable banking approach of the City Bank and its impact

Dear Sir,

I am writing to submit my internship report titled “Sustainable banking approach of The City Bank and its impact” and I completed my internship at The City Bank. This internship report incorporates my overall learning and working experience during my internship period.

During my internship period at the city bank, I had the pleasure of working with a diverse team who were cooperative and guided me enough to acquire banking knowledge. This report includes a comprehensive summary of every task I attempted and the insights I gained to enhance my work experience at the bank. I have tried my best to complete the report with the necessary data and fully present the overall report. I am confident that the report showcases the hard work and efficiency I gained during the internship.

Again, I am thankful to you for providing me guidance on the report-making process whenever I asked for it.

Thank you.

Sincerely yours,

Samira Faruk

21264081

BRAC Business School

Date: 18 December 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between The City Bank PLC and the undersigned student at BRAC University named Samira Faruk who commits to refrain from disclosing any confidential information of the bank.

.....

The City Bank PLC

.....

Samira Faruk

Acknowledgement

This is Firstly, I would like to express my gratitude towards Almighty Allah as with the grace of almighty Allah I could finish my report. Therefore, my heartfelt appreciation goes towards all those individuals who have essentially contributed to my development during my internship period and assisted me in crafting the overall report.

I am thankful to my internship supervisor and the course instructor, Dr, Syed Mahbubur Rahman for helping to decide on my report topic and supporting me in going forward to writing about the sustainable banking approach of the City Bank. I am indeed blessed to have him as my supervisor due to his cooperative nature. He instructed me very well and gave me full authority to craft the report the way I wanted.

I would like to convey my sincere gratitude to Mr. Hasan Mahmud, the branch manager of the City Bank, Gulshan Avenue branch for helping me collect information and arranging short interviews with the employees as well. Lastly, this internship report would not have been possible without the contributions of the officers at the bank as they provided insights that were valuable for my report.

Executive Summary

This report covers my work experience of a 3-month internship at the retail Banking branch of the city bank. The City Bank is widely recognized for being one of the top innovative and sustainable private banks in the country. This report focuses on the sustainable banking approaches of the City Bank and its overall impact.

The beginning of this report includes basic information regarding my internship period and workplace. It provides a short description of the job responsibilities I had in the bank, the difficulties I faced. The middle part of the report contains the basic organizational information of the bank such as its history, mission and values alongside the details of its marketing, accounting, financial, operational practices, competitive analysis etc.

This report intends to identify City Bank's sustainable banking approaches and their impact. It contains the literature review of sustainable banking, data methodology, findings and analysis of sustainable banking approaches of the City Bank alongside some recommendations regarding sustainable banking. This report will help to understand the potential of sustainable banking in the development of our economy, environment and society. Furthermore, this report will motivate others to research on sustainable banking practices in broader ways.

Keywords: Sustainable Banking; Sustainable Finance; Sustainable Profit; Organization; Economic; Environment; Society; Governance.

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List of Acronyms

FDR	Fixed Deposit Receipt
BEFTN	Bangladesh Electronic Fund Transfer Network
RTGS	Real Time Gross Settlement
ATM	Automated Teller Machine
SME	Small and Medium Enterprises
IFRS	International Financial Reporting Standards
BDT	Bangladeshi Taka
RATM	Recycled Automated Teller Machine
CV	Curriculum Vitae
PLC	Public Limited Company
SDGs	Sustainable Development Goals
UN	United Nations
ESG	Environmental, Social and Governance
HR	Human Resource
MIS	Management Information System
CSR	Corporate Social Responsibility
RMG	Ready Made Garments
DPS	Deposit Pension Scheme
NIS	National Integrity Strategy
NGO	Non-governmental Organization
IoT	Internet of Things

Chapter 1 Overview of Internship

1.1 Student Information:

Name: Samira Faruk

BRAC ID: 21264081

Degree: Master of Business Administration (MBA)

Major: Marketing

BRAC Business School, Fall 2023

1.2 Internship Information

1.2.1 Period, Company Name, Department, Address:

Company name: The City Bank PLC

Period: 17th September 2023 - 17th December 2023

Department: Retail banking

Address: 136, Gulshan Avenue branch, Gulshan 2, Dhaka-1212.

I started my internship at the City Bank on the 17th September of 2023 and the duration was 3 months. I completed my internship on the 17th of December, 2023. I was assigned to the retail banking division and it was situated at 136 Gulshan Avenue, Gulshan 2, Dhaka.

1.2.2 Supervisor's Information, Name and Position:

Supervisor's name: Hasan Mahmud, Cluster Manager, The City Bank PLC.

My supervisor at first was Mr. Ibrahim Khalil and under his supervision, I worked for 15 days which was from 17th September to 31 September. Mr. Ibrahim Khalil was transferred to Gulshan 1 and Mr. Hasan Mahmud joined the Gulshan Avenue branch on the 1st of October. After that, I was working under the supervision of Mr. Hasan Mahmud. He did his graduation in marketing from Dhaka University. He has well reputation for being Mr. perfect when it comes to managing the activities of banks. He is very punctual and used to arrive early at the bank around 8 am and conduct meeting sessions at 9:30 am before the banking operation goes on board at 10 am. He used to discuss the problems in the branch and provide solutions to employees to deal with those problems.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

While doing my internship at the City Bank Limited, I wasn't addressed as an intern. Rather I was addressed as the service ambassador of the City Bank. It is City Bank's culture to address their internees as their service ambassadors. By this term service ambassadors, the bank wanted their internees to represent City Bank's reputation for serving customers with satisfaction. As a service ambassador, I was given many instructions and had many responsibilities at the bank. These were -

- First of all, as a service ambassador, I was instructed to attend to all the customers the moment they arrived at the bank. My supervisor, who is the branch manager, advised me to greet each customer, ask them what kind of service they need and show them in which counter they can get their services. According to that, I used to ask every customer what kind of service they were looking for and help them to approach customer service officers.
- For the customers who used to come to the bank to open an account whether it's an individual account or a company account, I used to provide them account opening forms with instructions about which part of the form they should fill in, how many signatures the account holder must have to put in and also used to inform the customers what kind of documents they need for opening an account.
- I used to fill up account opening forms for some customers who had difficulty understanding and also the customers who didn't know how to write at all.
- I used to fill up the information of the person who is taking the loan along with the information of guarantors. I also used to fill out the Credit Information Bureau (CIB) form, and the American Express credit card form for loan accounts.
- I used to fill up Sanchayapatra forms, FDR forms, Cash Dollar endorsement forms etc with appropriate information that the customer service officers provided me with. I had to put each entry in the FDR register against the FDR advice form.
- I used to carry documents related to BEFTN, Pay Orders, RTGS, Salary sheets, account opening documents, Sanchayapatra, DPS etc. to the branch operations manager and my supervisor for verification.
- I used to print cards such as Amex and City Alo cards with customers' names and scan documents.

- I used to print the NID verification form, SDN List and Dedupe form from the multitask section of the software Finacle.
- I also used to put entries into the locker book for those customers who specifically used to come for locker services. I had to put their names, take their signature and the signature of the customer service officer and note their stay duration at the locker in the locker book.
- At the end of the second month of my internship duration, one morning at the bank I was asked by my supervisor to speak at a meeting session. That day I gave a speech related to how services should be delivered to customers with efficiency and how the officers should handle customers to create a good impression.

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

It was an honour to be a part of one of the country's top banks for 3 months. Although it was short but was quite eventful. In three months, I worked following my supervisor Mr. Hasan Mahmud's directions. Due to his cooperative nature, I could deliver more to the activities of the bank. During my stay at the bank, I ensured every customer of City Bank left the door with satisfaction. I greeted every customer and tried to provide them with information with clarity so that they could avoid coming unprepared like arriving without appropriate documents to the bank to get services. I made sure no customers had to wait longer for services like having statements, solvency and tax certificates etc. and also for other services, I used to observe that no customer's waiting time should cross over 20 minutes to get their services. I looked over every customer and tried my best to let them feel that they were most welcome in this branch and leave with pleasure. Gulshan Avenue branch is a very busy branch and during my work period, I worked diligently to ensure Customer delight with utmost respect. I also used to report at the end of my working hours each day to my supervisor. I used to tell him how the day was for both the employees and customers at the bank. I provided him insights on the relationship between the employees and customers, and service quality which helped him to understand the work progress, gaps and problems.

I think I was able to help in conveying customers' requirements to the officers well, which eventually led them to understand the situation better and be prepared to provide seamless services.

1.3.2 Benefits to the student

Working as an intern in the City Bank, I benefitted in various ways. Such as-

- Had my first ***exposure to the corporate environment***. I got to learn in reality how the workplace functions.
- Learned about the corporate culture, especially the ***corporate culture of banks***.
- Gained an idea of how employees conduct themselves at the workplace and learned about ***corporate etiquette*** every employee must have to follow.
- Learned to ***think strategically*** which helped to handle any unpleasant situation at the workplace.
- Acknowledged the ***importance of teamwork and cohesion within a team*** for achieving the goals.
- Adjusted myself to a ***work environment filled with colleagues of different age groups*** which will help me to adapt easily to a new work environment in the future.
- Learned to ***communicate with different types of people on an emotional level*** to understand their psychology and needs while taking on difficult customers each day.
- Gained ***skills in handling customer inquiries*** and have functional ideas regarding ***retail banking***.
- Had an idea of the essentials for creating a smooth ***customer experience, customer engagement and customer relationship management***.

All these things that I learned here undoubtedly helped me to be ready enough to face the workplace environment with confidence and courage.

1.3.3 Difficulties (faced during the internship period)

During the internship period, there were some difficulties that I had to go through. Like-

- I was never familiar with the work environment before and as I am an introverted person, it was hard for me to break the ice first at the bank and approach officers to communicate with them. They were so busy that they couldn't initiate the conversation. So I had a hard time on the first day.
- The work pressure at the retail branch was high and the branch remained almost packed with customers from 10 am to 4 am. So I had no chance to sit in between as I had to always answer customer's inquiries and also there were no seats available.
- Again, I had to keep myself busy at the bank and I got very few opportunities to interact with the officers to collect data. Although I collected data, I had to rush at the end.
- Lastly, it was hard for me to understand the banking terms and processes as this area of financial activity was new for me being a student of marketing.

1.3.4 Recommendations (to the company on future internships)

Here Below I have some recommendations that I suggest the City Bank should implement during their future internship programs-

- Instead of assigning interns to one single branch for three months duration, it should rotate interns over three different branches in three different locations. This will enrich the intern's experience more and help them to craft an effective report as they will be able to analyze more extensively by working in three different branches.
- There should be a separate desk for interns to sit and work.
- There should be a specific work schedule for interns so that they can leave the office at 5 pm with convenience.

Chapter 2: Organization Part

2.1 Introduction

2.1.1 Objective

The main objective of this study for the organization part is to provide knowledge regarding the organization's different important aspects. Other objectives are given below -

- To acquire knowledge of the organizational function of the bank.
- To identify how the bank manages and operates activities.
- To understand the bank's marketing approach.
- To gain knowledge about the financial situation of the bank and information systems alongside the accounting procedures they follow.
- To analyze the competitiveness of the banking industry.

2.1.2 Methodology

The whole information for this organizational part was gathered from both primary and secondary sources. The primary sources are my observations and informal conversations at the bank while working as an intern. For secondary data, sources such as the bank's official website, online articles, blogs etc. were accessed.

2.1.3 Scope

This part of the report will allow us to understand the practical aspects of banks. It will help to understand the functionality of commercial banks in Bangladesh. It will also help to understand the retail banking culture, banking policies and regulations alongside the customer service operations of the bank.

2.1.4 Limitations

Gathering primary information was tough as the bank has its non-disclosure policy which must be followed strictly. For these, it was impossible to access sensitive data regarding customer segments, internal management and operation systems.

2.2 Overview of the Company

2.2.1 History of The City Bank

City Bank is a public limited company which was established in 1983 following the Companies Act, 1991 and it is governed following the Banking Companies Act, 1991. It got its incorporation certificate and banking license from Bangladesh Bank respectively on March 14, 1983 and March 24, 1983. City Bank enlisted its share on the Dhaka Stock Exchange and Chittagong Stock Exchange respectively in 1987 and 1995.

City Bank has been operating through its 133 branches throughout the country. Alongside it has 32 sustainable finance help desks, 12 sub-branches, 116 SME-S units, 351 ATMs, 64 CDMs and 690 outlets for agent banking in 64 districts. Also, the City Bank operates beyond the border as well with its international banking activities and relationships with 486 global banks. The bank has its subsidiaries located outside the country. One is City Hong Kong Limited which provides its corporate customers with end-to-end financial services. The other is named CBL Money Transfer SDN. Bhd which is located in Malaysia specializes in the transfer of money. City Bank is also highly acknowledged in the banking industry for its innovative digital banking and mobile banking methods. They have around 446000 active Internet banking users. Through mobile banking, customers can avail of services sitting at their homes.

2.2.2 Vision

City Bank aims to be a financial institution that is committed to offering its customers top-notch banking experiences alongside showcasing a winning culture within the industry.

2.2.3 Mission

City Bank's missions are-

- To provide a wide range of products and services that attract customers of all segments and can be differentiated as well.
- To strive for the enhancement of efficiency and effectiveness throughout its banking platforms and processes.
- To encourage innovation and digitalization to enhance custom service quality and experience.

- To become an ‘Employer of choice’ through fostering a healthy work environment for its employees where they can lead and develop.
- To prioritize good governance, and compliance throughout every action along with respect for the community.

2.2.4 Value

City Bank has been nurturing five distinct values that positively affect its overall operations and contribute to the growth of the bank as well. These are-

1. Accountability and transparency.
2. Being driven by results.
3. Being respectful and courageous.
4. Inspiring and engaging.
5. Customer Delight.

2.2.5 Accolades

City Bank has numerous achievements and accolades. Again, the bank is recognized as one of the most award-winning banks in the country. Some of its accolades and awards are listed below-

- Placed on the list of the top ten sustainable banks by Bangladesh Bank.
- Recognized as the best sustainable bank in Bangladesh by Global Finance’s Sustainable Finance Country Awards.
- Received the award for best retail bank in Bangladesh.
- Acknowledged as the best new Islamic banking window in Bangladesh.
- Recognized as the SME Financier of The Year 2022.
- Received award for Product Innovation of The Year.
- Honored as the best CSR bank in Bangladesh etc.

2.3 Management Practices

2.3.1 Leadership style

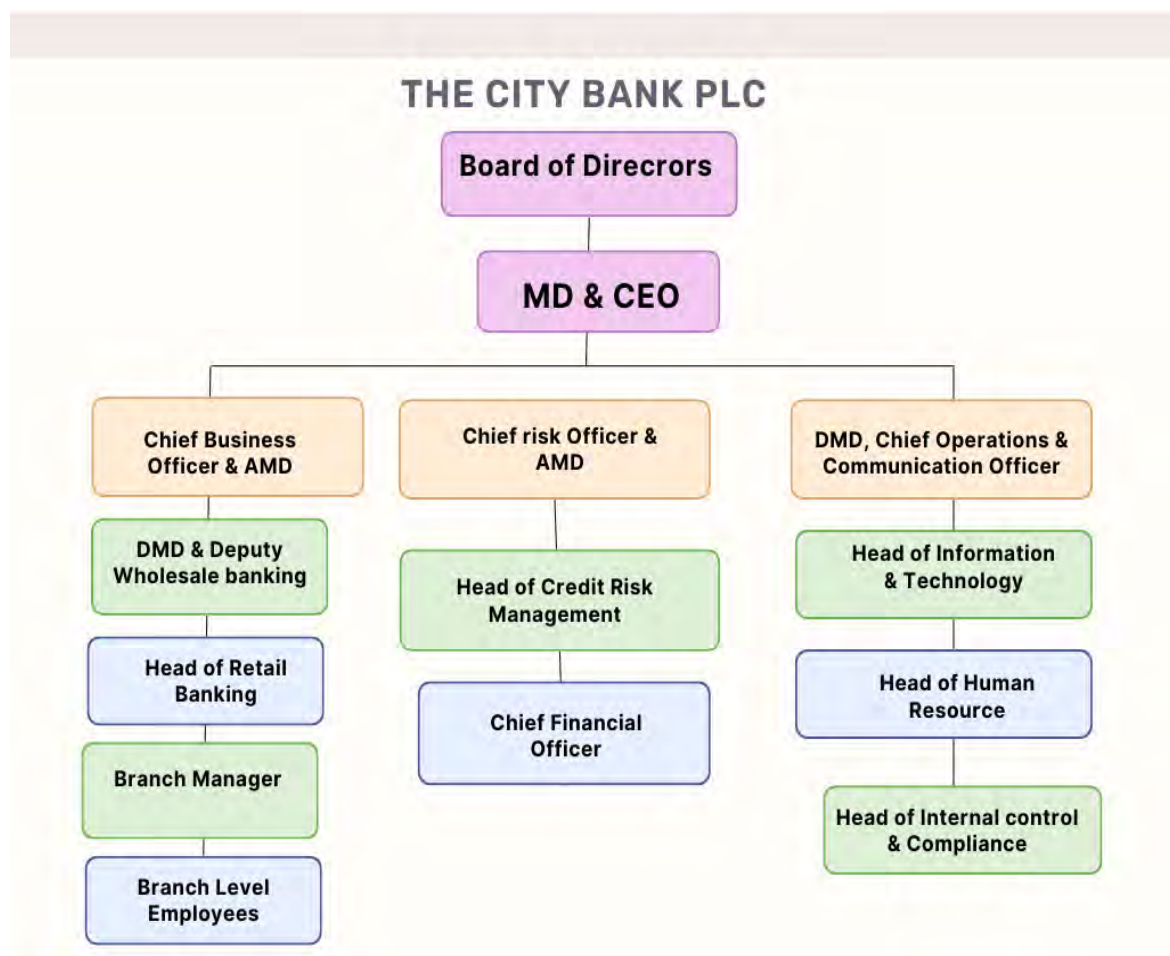
City Bank practices different types of leadership styles and the style is not fixed. Leadership styles change according to the situation. Whatever the situation demands, the style of leadership that best suits the situation at that particular moment gets adopted among the employees from

higher-ups to the top-down hierarchy. Like during their autocratic leadership style, subordinates are found to strictly follow the order of their line managers and some may even have finished their tasks within the deadlines instructed by their line manager. Line managers keep track of every subordinate, monitor, evaluate and suggest them for development as well. Every employee must report to their assigned supervisor at the end of each working day. Thus, to foster discipline in the workplace, an autocratic leadership style helps a great deal.

Also, in the city bank great teamwork and bond between all the employees helps them to have a sense of togetherness and belonging because whenever problems arise, all try to help out each other which demonstrates the bank’s participative leadership style. To make decisions, the participation of different departments are encouraged and expected equally which denotes its democratic leadership style. This democratic leadership style creates a sense of ownership among the employees which encourages them to work with efficiency and attain the organizational goals and objectives as well.

2.3.2 Organogram of the Bank

Figure 1 City Bank’s organogram



2.3.3 Recruitment and selection process

City Bank has a rigorous recruitment and selection process which ensures that the bank is hiring the best of people and that too with efficiency. City Bank hires employees through both external and internal ways of recruitment. External recruitment includes posting hiring notices and circulars through platforms like the career section of the Bank's official website, newspaper, LinkedIn, bdJobs, Facebook etc. Besides, the bank collaborates with prestigious universities to arrange on-campus hiring in search of young talents.

The recruitment and selection process of the bank consists of several steps. The process first starts with candidates dropping their CVs. Then, their CVs go through a background check in initial screening and those candidates whose CVs get shortlisted are called for a written test. Candidates who get through the written test, later are called upon for an interview. Finally, candidates who pass through the interview get selected for the position but they must have to go through a medical test before getting the offer letter from the bank. If medical results come out well, then they receive the appointment letter from the bank.

2.3.3 Compensation system

City Bank has an attractive compensation system that keeps its employees motivated to ensure employee satisfaction and reduce employee turnover rate. The bank provides standard compensation and benefits to its employees. Such as basic salary, house rent, provident fund, medical allowance, educational benefits, family and insurance benefits, retirement plan etc. They follow a rigid schedule to pay the salaries of the employees. Also, the City Bank reviews its policy regarding its compensation system timely.

2.3.4 Training and Development Initiatives

City Bank arranges many training and development programs for its employees to ensure the development of employees, enhance the productivity rate of employees at work and efficiency of the organization as well. The employee must have to attend those training programs. The bank has different types of training programs which include both on-the-job and off-the-job training. During on-the-job training, various tasks get assigned to employees to help them work independently and learn by themselves. On the other hand, off-the-job training includes case studies, visits, lectures and learning through courses during the probation period. Sometimes

training programs are held on off days also where there are buffet and snack facilities provided for the employee. Through these programs, the City Bank tries to bring light on important skills required to enrich its human resources.

2.3.5 Performance appraisal system

City Bank applies several performance appraisal methods to assess the efficiency of its workforce, identify the gaps and increase productivity. Every employee is assessed based on how much marks they get due to their performance. Business target fulfillment increases their chances of getting the highest marks and getting appreciated throughout the bank for their performances. The HR sends certifications and awards to employees for their outstanding performance and those employees who do not do well, are brought under the Performance Improvement Plan where many steps are taken by the HR to improve their problems and make them efficient at their work. In addition, the bank also follows the 360-degree feedback method where information is collected through surveys, questionnaires etc. from the managers, peers, customers and suppliers.

2.4 Marketing Practices

City Bank greatly emphasizes adopting diverse marketing strategies to ensure that the bank can attract customers and create a base of loyal customers by providing them with the best of their products and services. Here, it's the responsibility of the brand and communication department to plan and implement its marketing strategy wisely so that the strategies can strengthen the bank's reputation and brand image as well.

Moreover, City Bank has been diligently working on developing and offering new products, services, facilities etc. for the customer's convenience and to fulfill their needs. The bank's wide range of products and services includes - •Transactional Accounts • Student File • Foreign Currency Accounts • Term Deposit Accounts • Purchase & Encashment of Sanchaypatra • City Alo- Women banking Facility • Internet banking Facilities such as City Touch & City Live • Smart IVR • Agent Banking Facility • Locker Services • Cash Foreign Currency Buying & Selling • Debit Card Credit Card & Prepaid Card • ATM Network • Digital Onboarding • Call Center • Remittance Loan • Employee banking Facilities • Inward & Outward Remittance • Islamic Banking and financing Facilities • Term Loan Facilities • Trade Business Facilities • Govt. Refinancing Schemes • Entrepreneurship Financing Facilities • Startup Financing Facilities • Overdraft & Working Capital Facilities • Agri Financing • Offshore banking Facilities.

Again, the bank targets people of all ages and classes through its diverse range of products and services. Even they provide facilities for minor customers. To market their products and services they use integrated marketing channels. For the digital marketing process, the bank uses social media platforms such as Facebook and LinkedIn to promote its products, facilities and services. They also share news with their stakeholders through posts on social media platforms.

Furthermore, the bank has many posters around the city and advertisements in newspapers and social media platforms. Also, the bank celebrates important occasions such as Women's Day, Mother's Day, Independence Day, Bangla New Year etc and promotes their offerings during those occasions. Again, they actively perform their corporate social responsibilities which helps the brand to become trustworthy to the customers and also helps to build up their corporate image as well.

2.5 Financial Performance

Financial data reveals the financial position of a company which helps the stakeholders along with shareholders to have clarity about a company's financial performance that is relevant to them. Financial performance is assessed based on financial ratios. Financial ratios help to calculate and assess a company's profitability, risk, liquidity, liability, assets amount etc. The city bank has its financial annual reports that are available on its official website. Some of the financial ratios have been showcased in the table below-

Table 1: Financial Performance of The City Bank PLC from 2020-2022

Performance Parameter	2020	2021	2022
Net profit	4012	4743	4508
Net interest margin	4.3%	4.5%	3.7%
Earning per share (BDT)	3.9	4.4	3.8
Current Ratio	1.07	1.08	1.08
Total Assets	382926	416902	506847

Market capitalization	25206	29135	26173
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All metrics are in BDT mn. These ratios are explained below -

Net Profit

Net profit helps to evaluate a company's efficiency. A high net profit ratio indicates a higher efficiency in the overall operations management of the company in terms of profitability. Thus, this also helps to gain stakeholder's trust in the company's financial performance. From the table above, we can see that the net profit of city banks increased from 2020 to 2021 but in 2022 it decreased. Thus, it indicates challenges in the profitability or cost maintenance of the bank. For instance, their expenses might have increased or due to increased competition, their profitability was affected. Now this issue might raise concerns for its stakeholders.

Net Interest Margin (NIM)

Net interest margin identifies the difference between a bank's income from interest through its activities like investments and loans and income from interest that occurs in deposits and liabilities. We can observe that the city bank's NIM rate was 4.3% in 2020 and it slightly increased in 2021 by 4.5% but in 2022 it dropped to 3.7%. This decreased NIM indicates the bank might be facing challenges in earning interest in comparison to their expenses on interest. A decrease in NIM might also create a negative effect on the Bank's profitability as well.

Earning per share (EPS)

EPS is considered to be a vital component of a company's financial performance. It is used to evaluate the total performance of a company over different years. City Bank's EPS was higher in 2021 but in 2022 it decreased which means the bank is suffering to earn sufficient profits against each of its shares. Also, such a situation might decrease the bank's perceived value.

Current Ratio (CR)

The Current Ratio reflects a company's financial health and stability through assessing its liquidity. City Bank's CR increased from 1.07 in 2020 to 1.08 in 2022. A high CR signifies that the city bank is efficiently handling its short-term obligations with the use of its current assets. This also suggests the bank's assets have increased, and manages its cash properly.

Total Assets (TA)

Total assets denote how diversified a company's assets are. Again, it indicates the company's total business operation scale as well. We can see Citibank's TA have drastically increased over the three fiscal years. In 2022 they have the highest TA which suggests the city bank's growth and development. As its TA has increased, we can see the bank might be expanding its portfolio consisting of investments, loans etc. and might be taking possession of new assets as well. Overall high TA indicates the bank's healthy financial position which is a positive point for potential investors and its stakeholders.

2.6 Accounting Practices

The city bank prepares its annual financial statements following the international financial reporting standards (IFRS) that encompass the Company Act along with the Company Act 1994, the International Accounting Standards (IAS), Bangladesh Securities and Exchange etc. The bank publishes its financial statement including statements of profit or loss, statements of financial position, cash flow statements etc these statements are formulated on the accrual basis of accounting and all the amounts are showcased in the currency of BDT and the accounting year they follow is from July to June. They also provide notes and disclosures after each statement to explain terms that might look confusing to the stakeholders. For example, notes for depreciation and taxes are always put out on the report. The financial reports are published on their official website in the form of well-made PDF documents where everyone can access these reports.

2.7 Operations Management and Information System Practices

City Bank has huge popularity for being a tech-wise banking institution that depends on technology a lot to conduct its operations seamlessly. City Bank uses a software named **'Finacle'** where it conducts all operations and processes that go through before providing a service to a customer. Through Finacle software, documents of customers are processed through three steps- maker, checker, and authorizer and sent to the back office. For its city Islamic products and services, the bank has a different software named **'Ababil'** where they conduct task operations for the customers of city Islamic products and services. They also have a management information system (MIS) called **'City Q'** for managing the token system that conducts the entry of customers for services at the branch.

On the other hand, they have digital apps such as City Touch and City Ekhoni Account through which customers can access banking operations while sitting at home. Again, the bank has a website called ‘City Live’ through which they restore business account holder’s information so that the business account holder can have access to different services at home. Thus, through these IT systems, the City Bank conducts its whole operation smoothly and ensures a greater customer experience.

2.8 Industry and Competitive Analysis

2.8.1 SWOT Analysis

A SWOT analysis helps to assess the internal strengths and weaknesses of a business and also helps to find out the external opportunities and threats of a business. The SWOT analysis of the City Bank is described below -

Strength:

- City Bank provides services to its customers which are of top-notch quality and thus customer satisfaction remains high and as a result, helps to gain high customer loyalty.
- City Bank is a highly innovative technology enthusiast bank that fosters a banking culture which engages in innovation actively to provide its customers with seamless products, faster services and enriched customer experience. For instance, the City Bank is the first bank to launch a digital nano loan in association with Bikash. Alongside, they have different IT systems which they keep on upgrading with time to increase efficiency at the bank.
- City Bank has an enormous creative banking system such as R-ATM meaning Recycled Automated Teller Machine where one can deposit cash and another can withdraw those deposited cash.
- The City Bank has a very dedicated employee base who are very hardworking and nurtures a healthy working environment.
- The bank practices a unique corporate culture and its brand reputation is higher in the whole banking industry. Again, it has an extensive network all over the country.

Weaknesses:

- The City Bank has insufficient resources at every branch. Due to the City Bank's image and quality service, they have a huge customer base. However, they have fewer resources assigned to each beach to provide services to this large section of customers. Moreover, some of the office equipment is faulty which decreases work efficiency.
- At City Bank loan process is lengthy and takes a long time for the loan approval. Thus, customers find it tough and worrisome to apply for a loan at the bank and in turn customer dissatisfaction occurs.
- The bank lacks the initiative to educate customers about its innovative products and services. This means they have a poor marketing strategy when it comes to educating customers on how they can avail of services through City Touch and Ekhoni Account. As a result, it decreases their chances to target more versatile customer segments.
- The bank's employee motivation is significantly low due to a lack of proper job rotation, training, promotions, salary increments etc.
- The bank also lacks the required human resources. They have a shortage in many branches. In comparison to their customer base, they have fewer employees, thus it gets pressuring for the limited employees to provide services to all.

Opportunities:

- The bank has vast opportunities to go global through its e-banking. By e-banking, City Bank can not only attract local customers but also gain customers globally by offering services to foreign customers.
- Private commercial banks have potential chances to avail support from the Bangladesh Bank. That's why City Bank can gain support and assistance from Bangladesh Bank to expand their business and increase their investments in other businesses.
- The bank can establish branches on a larger scale outside of Dhaka and in rural regions. Thus, it can grab more customers and can grow high profitability in the banking industry.
- City Bank can try to enter a new industry due to its high brand image and value. So, it will be easier for the bank to tap into unexplored market segments through its reputation and loyal customer base.
- The bank is already famous for its innovations in banking. So the bank can leverage its innovative banking image to go for more research and development to innovate

products and services that could dimensionally change the banking industry in Bangladesh.

Threats:

- Bangladesh has been aggressively targeting economic development and it is evident with the recent economic growth of Bangladesh. Due to this, many foreign banking institutions have started entering the banking and financial industry of the country. These institutions' expansion might pose a great threat to local banks and for City Banks too it can create disadvantages.
- Bangladesh Bank has many rules, regulations, policies and restrictions which sometimes may hinder some business opportunities of the City Bank.
- Many other competitor banks such as HSBC, Eastern Bank PLC, IDLC Finance, and Community Bank might create a threat to City Bank's profitability in the industry as these banks nowadays are trying to attract investors and a huge customer base through their aggressive marketing campaigns.
- City Bank is at risk of losing its customers due to its lower rate of FDR in comparison with other banks.

2.8.2 Porter's Five Force Model

Porter's Five Forces Model is another method to analyze a company's competitiveness. It also helps companies to identify future patterns in the market and plan marketing strategies. To measure City Bank's competitiveness, Porter's Five Forces Model analysis is conducted below-

Threats of new entrants: Currently, many new private banks have established and started their banking activity. Alongside foreign banks too are entering the local market. Thus, the situation suggests City Bank is experiencing hurdles in its way and facing competition from the rising banks.

Threats of substitutes: City Bank has enormous threats imposed by financial substitute elements from other companies.

Power of buyers: In the banking industry, there exist different options for the customers and there are not that many potential differences between all of the services and products. That's why buyer's bargaining power is relatively higher in the banking industry.

Power of suppliers: In the banking and financial sector, there is very limited opportunity for the suppliers as overall every bank treats the suppliers on similar levels.

Competitive rivalry: Today banking industry in Bangladesh is highly competitive as many banks are getting established and giving a tough fight to other existing banks like City Bank. Again, this type of situation changes the whole industry's competition dynamically over a short period. Thus, to sustain throughout the competitive environment, banks must have to adopt dynamic marketing strategies.

From the above discussion, it can be clearly stated that banks have risks due to the high power of buyers or customers. In this case, city banks can deal with such a situation only with more research and development to innovate products broadly.

2.9 Conclusion

The City Bank is one of the prominent commercial banks in the country. They have come a long way to build their current corporate image by adhering to their vision, mission and value till today. The bank has expanded over time and as a result, it adopted necessary changes in its management, marketing, accounting, financial, and operational practices which helped it to be top in the banking industry, and provided insights on handling competition interactively. The bank has enriched its customer's experiences with its innovation and digitalization as well. Furthermore, the future of the city bank seems to be sky-touching if it continues to manage its functions efficiently and focus on innovation to develop products, marketing approaches etc. to sustain itself in this competitive and changing banking industry.

Chapter 3 Project Part

3.1 Introduction

3.1.1 Literature Review

Sustainability denotes using natural resources wisely along with ensuring effective profitability. On the other hand, sustainability banking is defined as outlining and carrying out the business activities of banks while ensuring the brilliant use of resources simultaneously (Ramnarain & Pillay, 2016). Sustainable banking is the combination of corporate culture where banking businesses aim for innovation and business excellence, and foster customer-centric and socially responsible values which cross over the fundamental compliance characteristics of sustainable banking (Gleder, 2006 as cited in Ramnarain & Pillay, 2016). According to Bouma et al. (2017), sustainability is built of three components- social, environmental and governance and financial institutions which possess all these three can sustain profitability for a long time (Bouma et al., 2017). In other words, sustainability will bring up high performance in the form of return on equity (ROE), net value and profits (Eccles et al., 2011 as cited in Ramnarain & Pillay, 2016).

On the other hand, Straw (2013, as cited in Ramnarain & Pillay, 2016) suggests that sustainable banking can ensure profitability unless it is taken lightly and organizations practice it from their root management system and act accordingly to foster a sustainable culture within. Sustainable banking became more important among banks and the most notable three reasons are found to be 1) brand image and brand value had become the primary cause for banks adopting sustainable banking 2) many banks had been required to showcase their business model for sustainable banking and 3) banks quality had upgraded due to environmental risk management, compensation along with cost decreased in comparison to profits (The International Finance Corporation, 2007 as cited in Raluca, 2012). Besides these reasons, sustainable banking has been referred to as important considering global warming along with increasing environmental issues and over three decades there have been strong recommendations doing rounds all over the globe for adopting sustainable corporate practices to combat climate change (Baboukardos, 2018; Chithambo et al., 2022; Cosma et al., 2021; Huiskamp et al., 2022 as cited in Adu, 2022).

A sustainable development policy has been mapped out by the UN focusing on 17 sustainable development goals (SDGs) to achieve by the year 2030 and the UN strongly suggests that banks

should execute sustainable business plans to achieve their targeted SDGs (Adu, 2022). Banks these days are facing issues where it is getting tougher to maintain the trust of their stakeholders and thus to sustain stakeholder's trust, banks should actively reshape and implement accordingly to create a sustainable future in financing (UNEP-FI, 2020 as cited in Adu,2022). In the 21st century banks are going to dynamically prevail more in society to meet the changing requirements of society and only sustainable banking is the key to fulfilling these changing requirements of society (UN Global Compact, 2020 as cited in Adu,2022). Around the world, many banks are practicing sustainable banking and specifically the second largest bank in the USA, Bank of America is recognized highly for its remarkable contribution towards the road of sustainable banking and its actions towards sustainable banking brought to light two facts- the environmental impact and social impact of sustainable banking (Raluca, 2012).

In regards to the banking industry in Bangladesh, the Central Bank of Bangladesh is strictly calling upon all the banks to diligently adopt sustainable practices to gain economic sustainability (Zhixia C et al, 2018). The Central Bank of Bangladesh also known as Bangladesh Bank is recognized to be the first central bank globally that has strongly mapped out various sustainable banking policies for all the banks such as In-house green activities of BB, Green or sustainable banking initiatives for commercial banks through green finance, fund for climate risk, training, development and marketing of banks, Mobile and internet banking, use of solar energy in branch/ATM, commercial bank's in house sustainable banking activities and SME banking etc. Thus, it is evident how determined Bangladesh Bank is about sustainable banking to maintain the balance between environmental and economic issues of the country (Zhixia C et al, 2018).

3.1.2 Objective

This study involves objectives in two ranges of spectrum. One is a broad objective and the other is a specific objective. The broad objective of this study is to acquire knowledge of sustainable banking approaches from the perspective of the banking industry of Bangladesh. The specific objectives of the study are mentioned below:

- Identifying and analyzing how City Bank has approached sustainable banking.
- Evaluating and understanding what drives The City Bank to adopt sustainable banking practices.

- Assessing how City Bank’s sustainable banking has impacted the economy, environment, society and governance.

3.1.3 Significance

This study intends to provide knowledge on how the city bank approaches sustainability banking through their banking activities, what is the basis for the organization to follow up sustainable banking successfully and what impacts sustainable banking brings. In the 21st century, sustainable banking has become a burning issue around the globe which needs to be discussed in Bangladesh as well. Sustainable banking is an area which needs to be focused on in-depth to enable future potential research about this topic in Bangladesh. There are very few studies that have been done on local bank’s sustainable banking approaches. Undoubtedly this study will pave the way to explore the importance of sustainable banking and its practices among local banks allowing the students to understand the philosophy of sustainable banking of local commercial banks in Bangladesh from the perspective of City Bank.

3.2 Methodology

For this study under a descriptive research method, we used qualitative data analysis approaches to gather and analyze primary data to have an in-depth understanding of sustainable banking approaches and their impacts based on The City Bank

3.2.1 Data collection, Sample Size

To collect qualitative data, we used both primary and secondary resources as our qualitative data are of two types-primary and secondary data. For primary data, we conducted short in-depth unstructured interviews with employees of the City Bank to learn about its sustainable banking approaches and assess their impacts. For the interview, we chose 5 employees who perform and manage a variety of functions and operations of the City Bank. On the other hand, we collected secondary data from the bank’s sustainability report, annual reports, official website and financial portals for bank articles.

3.2.2 Data Analysis

We conducted a thematic analysis of the set of transcripts obtained through the interviews. Thematic analysis is a type of analysis that can easily adapt unstructured questions and allow

interpretation in easy language which we find suitable for our study. Moreover, this method helped us identify and analyze facts relevant to the sustainable banking approaches of the City Bank and its impacts in a flexible manner.

3.3 Findings and Analysis

3.3.1 Approaches of Sustainable Banking in the City Bank

3.3.1.1 Sustainable Finance Committee and Finance Unit

The sustainable finance committee and finance Unit are two authorities that take care of all the activities related to sustainable banking. The branch manager said, “Policies related to environmental, social and governance (ESG) must have to be approved by the Board Risk Management Committee (BRMC) and BRMC is the one who constructed the Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU)”. Furthermore, the branch manager added, “To say specifically SFC plans the required strategies and approves for SFU’s different functions such as climate risk assessment, green finance budgeting, green marketing, corporate social responsibilities (CSR) etc.”. In brief, SFC monitors all activities, announces annual targets for sustainable banking and coordinates activities among branches which affect SFU’s functionality.

3.3.1.2 Green Finance

Green finance indicates lending money in works that don't contribute to environmental degradation. The City Bank is an active partner of the Green Transformation Fund of Bangladesh Bank and working on several green financing or sustainable financing projects that are approved by the Bangladesh Bank. While denoting the green finance system and its importance, the unit Head of medium Business said, “Green finance means to invest in projects that work on natural resources, renewal energy like making fertilizer from cow dung, solar electricity production etc. For example, currently, we have a project under our green financing portfolio where fiber is produced from used plastic through a recycling process. later we can decrease our dependence on importing fiber and we can also protect the environment from getting ruined due to plastic.” The City Bank has been investing in categories of products that the Bangladesh bank has acknowledged renewable energy, alternative energy, liquid and solid waste management, environment-friendly brick production, green agriculture, green cottage industry etc. as green finance that helps not only to protect the environment but also to build a sustainable environment. Thus, through sustainable finance or green finance, the city bank has

sustainable banking practices which ultimately help the bank to contribute to protecting the climate and environment.

3.3.1.3 ESG strategy

Environment, Social and governance in short ESG and strategies related to these factors are considered to be sustainable pillars of City Bank's sustainable banking. The branch manager at City Bank mentioned regarding ESG strategy, “Our bank is cautious when it comes to taking up sustainable strategies, our bank is always guided by some distinctive values that focus on the wellbeing of the environment, society and different stakeholders such as customers, community, investors etc”. The City Bank has a remarkable ESG strategy and policies that incorporate risks related to climate change. The strategy and policies also include the implementation of an executive scorecard that measures the viability of targets aimed at climate risk control, training and engagement with its suppliers and customers. The ESG strategy has three pillars - responsible banking, responsible business practices and establishing social impact.

Through responsible banking, the city bank makes sure they are getting involved in responsible lending and financing where the funds won't be utilized in a project that goes against the wellbeing of the community, society and environment. The unit head of medium business who deals with lending and financing stated, “We carry out our business maintaining economic mobility alongside taking caution to protect customers' privacy to put a stop to financial crimes.” Again, City Bank has responsible business practices where they prioritize doing things that will have positive effects on the society and environment. Regarding responsible business practices, the branch manager said, “We are always monitoring how we can ensure more responsible business practices at the Bank and some of our practices include creating a good work environment for the employees, paying taxes fairly, measuring the footprint of the environment and motivating customers to adopt sustainable practices etc.”

Moreover, the city bank also strongly focuses on establishing social impacts through contributing to education, attaining targeted sustainable development goals (SDGs), empowering innovation and creativity, giving back to the community and many more.

3.3.1.4 Net Zero Banking Alliance

The city bank is very much conscious of carbon print emissions which eventually harms the environment a lot. From the point of being a responsible bank, aligning with the Paris Agreement the City Bank aims to join the global initiative which requires maintaining the preindustrial level of global warming which is 1.5°C to accomplish the target of net-zero emissions by 2050. Regarding the net zero alliance, the unit head of medium business said, “To achieve our net zero targets, we are constantly focusing on three vital areas- RMG and textile, Power and Pharma to ensure sustainable banking successfully for a long time”. The city bank has developed many strategies for the reduction of global greenhouse gas in their internal operations as well. These are- incorporating renewable energy, green building features, unitary air conditioning systems, LED lights, energy-efficient appliances, fiberglass wrapping etc. Furthermore, the employee emphasized, “The city bank continuously monitors and reviews their activities and strategies related to RMG and textile, power and Pharma and recognize this as the key to achieving net zero targets”.

3.3.1.5 Sustainability through Innovation

The city bank has created its image of being the most innovative bank by working on innovations using technology to provide a wide range of digital banking services at the customer's doorstep while ensuring better customer experience over the passing years. Correlating digital banking with the term sustainable banking, the branch manager said, “In banking, we consider sustainability as the new digital. Thus, we have been investing a tremendous amount of time in innovation to improve digital banking and we are ensuring sustainable banking with our digital banking platforms and services such as City Touch, City Ekhoni Account, Digital Islamic DPS, Digital Nano loan etc. The City Touch app has its various products and service offerings for the customers and customers can avail of these sitting at home. Alongside customers can transfer money from the City Touch to Nagad, Bikash, Upay etc., pay bills, withdraw their money from the ATM and check their balances as well. Regarding these digital banking facilities One of the customer service officers at the bank said, “For example, customers can download their e-statements without charge through the city touch app which eliminates the requirements of paper statements that cause harm to the environment due to carbon footprints and also the city touch app enables customers to open DPS, FDR accounts by themselves.” On the other hand, to streamline account opening procedures for the valuable customer, City Bank launched another app named City Ekhoni Account which allows customers to open accounts sitting at their home with convenience. All

these facilities through the digital innovations of the City Bank seem to drive the acceptance rate of digital banking in Bangladesh among consumers which ultimately makes the bank more sustainable by becoming more efficient and offering an effective customer experience with the use of fewer resources and costs.

3.3.1.6 Sustainability through engaging with stakeholders

City Bank is committed to engaging with its stakeholders and for them engaging with the stakeholders is the inherent aspect of their strategies revolving around sustainable banking. Constantly following up and interacting with both internal and external stakeholders helps them to leave an effective footprint on their sustainability mandate. Addressing the bank's relationship with stakeholders the branch manager said, “Our bank is committed to identify sustainability challenges and to take necessary actions to meet those challenges. For this purpose, we actively focus on connecting with our stakeholders, try to assess things that matter to them and take necessary steps to fulfil their expectations accordingly.” To engage with their stakeholders such as customers, employees, government, communities and societies, the City Bank has built a framework where at first the bank ensures to recognize each segment of stakeholders and secondly evaluates the materials that matter to their stakeholders, assess their feedbacks, redefine the management process and monitor the whole process to take corrective actions, follows an engagement model and lastly establish communication with stakeholders. Again, the branch manager mentioned, “The City Bank strongly strives for attaining targeted SDGs through the sustainable strategies of engaging with stakeholders which also serves as the foundation for the bank to gain sustainable profitability as well.”

3.3.2 Impacts of City Bank’s Sustainable Banking

3.3.2.1 Economic Impact

City Bank’s sustainable banking approaches have potential impacts on the country’s economy. The City Bank empowers women and contributes to the economy through its only for women café themed banking branch named The City Alo. One of the female customer service officers mentions, “The City Alo provides funding on flexible terms to extend help towards women on their journey to become an entrepreneur, supports to establish their business successfully so that they can create strong economic impact by giving a boost to the economy as well.” Besides, City Bank contributes to the economy beyond profits and plays a pivotal role in the country’s

economic development as well by paying taxes with transparency, maintaining tax compliance, providing dividends to its shareholders etc.

Furthermore, City Bank has an enormous impact on the economy through its sustainable procurement process and activities. Addressing this fact one of the branch operation managers said, “The city bank is committed to following anti-corruption procedures, abide by human rights and legal compliance correctly to create a socially conscious economy.”

3.3.2.2 Environmental Impact

The city bank is creating a positive impact on the environment with its green financing and green banking, agricultural loans etc. The unit head of medium business said, “We invest in green building finance cause this ensures sustainable construction practices and operations at low costs”. Alongside, City Bank has protected the environment with the disbursement of BDT 347.8 mn on waste management projects and biological effluent treatment plants (ETP) in 2022. Reflecting upon the environmental impact, one of the customer service officers said, “In our bank, we arrange meetings over Zoom to reduce emissions that are caused due to travelling. Alongside we have our electronic queue management system which helps us to make the bank's environment easygoing for our customers and increase efficiency as well.” Besides these, City Bank has strongly impacted the environment through its other sustainable banking initiatives. Such as

- Installation of solar panels at 13 branches.
- Reduced carbon footprints and emissions through shared ATMs, internet banking facilities, Real-time gross settlement systems etc.
- Decreased the rate of paper and energy consumption etc. through the use of e-documents and energy-saving lighting.
- Reduced vehicle emissions through promoting carpooling etc.

3.3.2.3 Social Impact

The city bank believes in creating a great workplace for its employees and promotes best employment practices that motivate them to work for the development of the bank and themselves. For instance, addressing the importance of employee well-being and work environment, one of the senior customer service managers said, “If we think of adopting sustainable banking, then we must consider employees as the key to successful sustainable banking operations. The employees are the one who represents the bank's reputation and helps

to connect loyal customers to the bank. So to ensure sustainable profitability of the bank, we must ensure we take good care of our employees.” The bank offers its employees industry-standard compensation and benefits including retirement plans, pay equity, and health plans, and implements policies for the employees following the regulations of the International Labour Organization. One of the customer service officers said, “In our bank, we have absolutely zero tolerance for gender discrimination and harassment. We treat our female employees fairly with utmost respect and ensure a decent and safe workplace for them”. The City Bank nurtures an inclusive culture because it accepts the diversity as well as the uniqueness of each employee and trusts that it will enhance the path of innovation and creativity for the bank. On these facts, one of the customer service managers said, “Here we have employees from different academic backgrounds like some employees majored in finance and accounting, at the same time some majored in art, literature, engineering and history. People who possess a narrow mentality like only students of accounting and finance can make a career in the bank can come out of such a mentality if they look at the diverse team at our bank.” Besides, the City Bank initiated great environmental impacts through its other sustainable bank strategies. Such as

- Implemented a robust security system to ensure employee safety and security.
- Contributed BDT 173.8 million in sectors such as environmental and climate change, disaster management, health, education, culture etc. in 2022.
- Addressed disasters to protect the environment by allocating BDT 128.7 million in disaster management and BDT 0.1 million for environmental efforts.
- Promoted cultural preservation through initiatives like MUJIBPEDIA to sustain a future with a rich culture.
- Provided access to free clean drinking water for people through partnership with Footsteps Foundation for project Trinsha under which the water gets filtered through 20 modern filtration techniques etc.

3.3.2.4 Governance Impact

In financial institutions, governance is considered to be part and parcel. And in sustainable banking governance is regarded as one of the most integral parts. To sustain its economic performance, the City Bank believes in ethics, transparency, and compliance to achieve financial goals and maintain partnerships with its customers. One of the branch operation managers said explaining the City Bank governance system - “Our bank has a robust

governance system which covers ESG policies and strategies all together. For example, our branch operation goes through three steps of governance- Checker, maker and authorizer where all non-cash transactions are initiated through customer service officers and later we operation managers approve those transactions from our end and send them to the back office for further process and verification. Thus, before a transaction occurs, it goes through several processes of verification to maintain security and ensure transparency for the customers and bank wellness.” The City Bank has established an enormous impact on governance as it emphasizes fostering a culture of transparency. The city bank is devoted to combating corruption and creating a sense of integrity by cooperating with the National Integrity Strategy (NIS) of Bangladesh. For example, the branch operation managers said, “We always educate our employees regarding anti-money laundering regulations, integrity, ethical standards etc. through arranging extensive workshops and training and keeping them updated about the changes in our regulations.” Through sustainable banking, City Bank not only maintains governance for transparency but also minimizes risks for sustaining bank business and profitability. Again, the Bank at the same time safeguards the public’s trust in the bank by protecting their assets as well through its security protocols and robust governance system that are incorporated in its sustainable banking strategies. Some of the security protocols are-

- CCTV operations
- Physical guards
- Extensive 24/7 monitoring
- 24/7 response team which also responds to uncertain events
- Intruder alarms etc.

Thus, it is evident from the bank's reputation of being a secure and sustainable financial institution in the country that its sustainable banking has an undeniable impact on its governance system.

3.4 Conclusion

Bangladesh Bank has acknowledged City Bank as one of the top sustainable banks in the country for two consecutive years. Besides, we have analyzed its overall sustainability banking approaches and how it has adopted sustainable banking throughout its functional and operational activities and we have to admit City Bank has set a benchmark for sustainable banking in the country with its sustainable banking. We cannot ignore the impacts that have

been brought on our economy, environment, society and governance through its organized sustainable banking practices.

Undoubtedly, sustainable banking is a new term in the banking industry of Bangladesh but the City Bank has set the standards higher with its enthusiasm to establish its sustainable banking system. The bank has already immensely contributed to the welfare of society by taking the initiative to secure sustainable development goals successfully through sustainable banking. With green finance, net zero banking, innovation and technology it has associated itself with remarkable projects that are safe for the environment. Moreover, the bank has left footprints in sustainable banking with its outstanding ESG strategy execution. To conclude we can say that City Bank's journey to sustainable banking is praiseworthy and an example for other commercial banks to get motivation for adopting sustainable banking practices as well.

3.5 Recommendations

Sustainable banking helps to win the trust of its respective stakeholders which in return strengthens the corporate image and market position of the bank as every responsible citizen would like to associate themselves with an organization that keeps their assets secure and brings development to the society and environment. Although City Bank has pioneered sustainable banking in the country, I would like to recommend some more sustainable banking initiatives that are common in developed countries like the U.S., UK, Canada etc. If the bank adopts these sustainable banking activities, it can gain global exposure and recognition as well. These recommendations are provided below -

- The City bank should design energy-positive branches in different regions gradually to save energy consumption.
- The City Bank should provide carbon-neutral certification to business loans so that it will encourage more businesses to take up carbon-neutral projects.
- Bangladesh is heavily dependent on RMG sectors. Thus, The City bank should take up more flexible initiatives to lend money to textile businesses that promote sustainable fashion.
- Recently eco-friendly electric vehicles have become popular in Bangladesh. The City Bank can launch loan programs to promote and support this sustainable transportation system.
- The City Bank should provide funds for projects related to sustainable tourism.

- The bank should finance modern technology-based and IoT-based agricultural farm projects to ensure environment-friendly cultivation and agricultural methods.
- The bank should collaborate interactively with NGOs that target attaining sustainable development goals.

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Appendix

Interview 1

I: Can you briefly tell us about yourself and the organization you are working for?

Branch Manager (BM): I am the branch manager of this Gulshan Avenue branch of the City Bank. I have been associated with the city bank for 11 years. I started my journey as a relationship manager and now I am here. The City Bank is very popular for being the most innovative bank and together it has also ranked first in sustainable banking for two consecutive years. It has become a very prominent bank in Bangladesh through the hard work of our all employees. Here at City Bank, we have the best practices in every department.

I: As a branch manager, you might have big responsibilities. So, will you briefly explain your duties and responsibilities?

BM: Due to being the branch manager, I am bestowed with numerous responsibilities. I am thinking about where I should start from. Okay, as you are one of the service ambassadors here and you have been listening to my instructions regarding service quality everyday morning in the meeting, it won't take much for you to guess that ensuring top-notch customer service is one of my crucial responsibilities. Besides, I have to make sure our customers eagerly come to our bank and leave the bank with satisfaction. Besides these, as the branch manager I carefully monitor day-to-day banking activities, manage the entire team consisting of our officers, guide them, take care of our customer's requirements, address their inquiries, attend meetings and report to higher management regarding branch operations and its overall performance.

I: What is your idea of sustainable banking?

BM: To me, sustainable banking is where we ensure the bank sustains a long time and sustains profitability for all the good reasons.

I: Can you tell me what are the sustainable banking approaches you think City Bank have pursued?

BM: As I said earlier, City Bank has a very well reputation for being one of the top sustainable banks in the country. We have a sustainable finance committee and unit to ensure sustainable banking. Policies related to environmental, social and governance (ESG) must be approved by the Board Risk Management Committee (BRMC) and BRMC is the one that constructed the

sustainable finance committee (SFC) and sustainable finance unit (SFU). Specifically, SFC plans the required strategies and approval for SFU's different functions such as climate risk assessment, green finance budgeting, green marketing, corporate social responsibilities (CSR) etc. Our bank is cautious when it comes to taking up sustainable strategies, our bank is always guided by some distinctive values that focus on the well-being of the environment, society and different stakeholders such as customers, community, investors etc.

I: As you said, the city bank has a reputation for being the most innovative bank. In that case, Digital banking is one of the innovative Do you think it contributes to sustainable banking and if it does, then how City Bank use innovation and digitalization to foster sustainable banking?

BM: In banking, we consider sustainability as the new digital. Thus, we have been investing a tremendous amount of time in innovation to improve digital banking and we are ensuring sustainable banking with our digital banking platforms and services such as City Touch, City Ekhoni Account, Digital Islamic DPS, Digital Nano loan etc. Also, the City Touch app enables customers to open DPS and FDR accounts by themselves.

I: How branch managers of the city bank are contributing to sustainable banking in your opinion?

BM: We are always monitoring how we can ensure more responsible business practices at the Bank and some of our practices include creating a good work environment for the employees, paying taxes fairly, measuring the footprint of the environment and motivating customers to adopt sustainable practices etc. Thus, it helps us to ensure sustainable banking is being followed from the branch banking first.

I: Sustainable banking has some challenges when it comes to fulfilling each stakeholder's need as every stakeholder's expectation differs. How does the city bank overcome those challenges?

BM: Yes. It is challenging to address each of the stakeholder's needs and fulfill those accordingly but it is not impossible either. To tackle these challenges, we think communication and active engagement with each stakeholder is the key. Our bank is committed to identifying sustainability challenges and taking necessary actions to meet those challenges. For this purpose, we actively focus on connecting with our stakeholders, try to assess things that matter to them and take necessary steps to fulfil their expectations accordingly.

I: Lastly, I would like to ask, do you think sustainable banking is crucial in terms of profitability?

BM: Definitely, sustainable banking is important to sustain profitability. The City Bank strongly strives to attain targeted SDGs through the sustainable strategies of engaging with stakeholders which also serves as the foundation for the bank to gain sustainable profitability as well. Our stakeholders are our main target of consciousness and to have their trust we must have to ensure the bank's profitability sustains. In this case, our customers are our priority and by ensuring greater customer satisfaction, we can also keep our bank profitable as the more our customers will grow, our profitability will be positively impacted as well. So I can say, I think profitability can here be the by-product that we will get through our entire sustainable banking strategies.

Interview 2

I: Can you kindly tell me about your position at the bank?

Unit Head at Medium Business (UH): Earlier I was one of the vice presidents for medium business of the SME department of the City Bank. Now, I have graduated from that position and become the Unit head of the medium business.

I: What are your role and responsibilities?

UH: We mainly work on financing projects related to medium businesses and we finance government projects as well. Our area of work includes green finance or sustainable financing.

I: What is sustainable financing according to you?

UH: Green finance means to invest in projects that work on natural resources, and renewable energy like making fertilizer from cow dung, solar electricity production etc. For example, currently, we have a project under our green financing portfolio where fiber is produced from used plastic through a recycling process, thus later we can decrease our dependence on importing fiber and we can also protect the environment from getting ruined due to plastic.

I: How do you think green finance contributes to our economy and environment's well-being?

UH: Green finance helps to decrease our dependency on importing natural resources. For instance, if we finance more green projects, we can produce fuel locally through green projects. We won't have to import fuel from foreign countries. Economically we can save our money. And environmentally we can reduce the temperature with the use of solar energy and help to mitigate global warming as well. Moreover, we invest in green building finance because this ensures sustainable construction practices and operations at low costs.

I: How do you make sure that the projects you are financing are working on green projects and not scams? And do these project owners have doubts about losing privacy?

UH: We carry out our business by maintaining economic mobility alongside taking caution to protect customers' privacy to put a stop to financial crime. To make sure we are financing the right project, we always go for factory visits in person and check all the details and documents of the projects as well. During this process, the project owner may have concerns regarding the disclosure of confidential information. But we are a financial institution and we must look over our risk management policies also. We cannot ignore the fact that to conduct responsible banking, we must have to cross-check every fact that is relevant for us to ensure secure financing and the reputation of our bank. Along with this, we are committed to maintaining confidential information of our customers as it's our duty and a part of our ethical standards.

I: How do you divide your budget for green financing?

UH: Actually, we have a basket for our budgeting of green finance. Those baskets have clear instructions on total how much we can finance, of what portions will go for small businesses, medium and cottage businesses, textile etc.

I: Besides green finance, briefly tell us about the other sustainable banking approaches of the city bank.

UH: Yes, the city bank also has its journey towards net zero emissions where we focus on investing in many industries. To achieve our net zero targets, we are constantly focusing on three vital areas- RMG and textile, Power and Pharma to ensure sustainable banking successfully for a long time. The city bank continuously monitors and reviews its activities and strategies related to RMG and textile, power and Pharma and recognizes this as the key to achieving net zero targets.

I: Lastly, do you think that sustainable banking has contributed to strengthening the corporate image of the city bank?

UH: Of course. Sustainable banking hugely impacts our bank's corporate image and reputation as well. The more we practice sustainable banking, the more it will help to contribute to the development of the environment and society as well. As a result, our brand's image and value will be strengthened too.

Interview 3

I: Briefly describe your duties and responsibilities as a customer service officer.

Customer service officer (CSO): As one of the customer service officers, I have to provide customers with a variety of services such as account opening, check transfer, dormant account activation, account maintenance, salary transfer, FDR encashment, dollar endorsement etc. Other officers provide these services too but there are some services in which some officers specialize. In my case, I do dollar endorsement more as it is my area of specialization.

I: The services you have described can customers avail these through digital banking?

CSO: For sure, these services are available through digital banking also. Our customers can transfer money while sitting at home at their convenience through the City Touch app. Customers can open accounts by themselves through the Ekhoni Account. For these, they don't have to travel to arrive at banks and can save their transportation costs as well. And in the meantime, we can focus on providing other services. For example, customers can download their e-statements without charge through the City Touch app which eliminates the requirements of paper statements that cause harm to the environment due to carbon footprints. Also, the City Touch app enables customers to open DPS and FDR accounts by themselves.

I: Do you think these types of innovative products of the bank are a part of sustainable Banking?

CSO: Sustainable Banking originally means to make the best use of our resources while making sure of profitability at the same time. Through innovations in banking, our bank has launched many apps for the convenience of customers. Exercising innovative banking methods helps us to make the best use of our resources while contributing to the economy and environment. For example, services like account opening and money transfer are possible without the customers arriving at the bank and end up reducing environmental damage due to carbon emissions from transportation. In our bank, we arrange meetings over Zoom to reduce emissions that are caused due to travelling. Alongside we have our electronic queue management system which helps us to make the bank's environment easygoing for our customers and increase efficiency, productivity, profitability etc. Thus, we can say innovation is an undeniable part of sustainable banking which also ensures sustainable profitability.

I: Lastly, being a woman yourself, what could be the sustainable banking practices of The City Bank that associate women and what kind of impact it creates?

CSO: ‘The City Alo’ is the only answer then. This is the branch that is only dedicated to women. This branch provides services that are uniquely designed only for women. It has special facilities in terms of financing projects for women entrepreneurs. One of its products is called the City Alo Visa card which is accessible for women only and they can avail of many special offers and services through this card as well. Therefore, talking about its impact, the ‘City Alo’ has been able to leave an incredible economic impact. ‘City Alo’ provides finance on flexible terms to extend help towards women on their journey to become an entrepreneur, and supports establishing their businesses successfully so that they can create a strong economic impact by giving a boost to the economy as well. Besides our bank’s sustainable banking practices have social impacts too where the bank promotes equality in society. In our bank, we have absolutely zero tolerance for gender discrimination and harassment. We treat our female employees fairly with utmost respect and ensure a decent and safe workplace for them.

Interview 4

I: Tell us about yourself and briefly describe your duties and responsibilities.

Customer Service Manager (CSM): It's been 13 years since I have been working at the City Bank. At that time, we at City Bank had no idea of digital banking. But look in 2023, we are incredibly proud to be one of the innovative banks through our digital banking products and services. As the customer service officer, I mostly deal with our team member's concerns. How other officers are doing and how they are working on fulfilling their business target. I have to make sure our business targets are fulfilled and officers are working with a sense of ownership.

I: What is your idea of City Bank's sustainable banking approach in terms of employee wellbeing?

CSM: If we think of adopting sustainable banking, then we must consider employees as the key to successful sustainable banking operations. The employees are the one who represents the bank's reputation and helps to connect loyal customers to the bank. So to ensure sustainable profitability of the bank, we must ensure we take good care of our employees. Our bank is cautious about treating its employees with fair pay, retirement plans and other benefits.

I: Tell us how City Bank is creating impacts on social grounds with their it's sustainable banking practices revolving around its employee wellbeing.

CSM: Our sustainable practices regarding our employees also have influential social impacts. In our bank, we have absolutely zero tolerance for gender discrimination and harassment. We treat our female employees fairly with utmost respect and ensure a decent and safe workplace for them in society. Also, we clear out social stigma and narrowness. For example, here we have employees from different academic backgrounds- some employees majored in finance and accounting, at the same time some majored in art, literature, engineering and history. People who possess a narrow mentality like only students of accounting and finance can make a career in the bank can come out of such a mentality if they look at the diverse team at our bank.

I: Lastly, Can you briefly describe besides employee wellbeing, what sort of other social impacts City Bank has created till now through its sustainable banking approaches?

CSM: Each year our bank contributes to projects that are related to disaster management, environmental and climate change, health, culture, education etc. Through our initiatives in those projects, we promote environmental safety, ensure a high literacy rate and educate the young generations of our enriched culture through cultural preservations etc.

Interview 5

I: Branch operation managers hold the second authority after the branch manager which places them in a significant position at the bank. Briefly tell us what duties and responsibilities you fulfil as one of the branch operation managers.

Branch Operation Manager (BOM): As a branch operation manager, we bear lots of responsibilities when we must take the authority and have liability at the same time. That's why we always have to stay focused and mindful during our work at the bank. Among many, some of our crucial duties and responsibilities are- providing training to employees, updating them about policy and regulatory changes, maintaining compliances, mitigating risk through identity frauds, audit reporting, handling security items and providing safety to its stakeholders etc. We always educate our employees regarding anti-money laundering regulations, integrity, ethical standards etc through arranging extensive workshops and training and keeping them updated

about the changes in our regulations. We ensure to follow a rigid governance process to maintain the safety and security of each of our stakeholders.

I: What sustainable banking approaches does the city bank take in terms of maintaining compliance?

BOM: Compliance at any cost is not tradable whether it comes to the bank or any other organization. Compliance for sure plays an important role in sustainable banking. The city bank is committed to following anti-corruption procedures and abiding by human rights and legal compliance correctly to create a socially conscious economy.

I: Tell us about the governance system of the city bank in brief and what impact it creates.

BOM: Our bank has a robust governance system which covers ESG policies and strategies altogether. For example, our branch operation goes through three steps of governance-Checker, maker and authorizer where all non-cash transactions are initiated through customer service officers and later, we operation managers approve those transactions from our end and send them to the back office for further process and verification. Thus, before a transaction occurs, it goes through several processes of verification to maintain security and ensure transparency for the customers and bank wellness. In terms of creating an impact on governance, sustainable banking practices like monitoring activities through CCTV are exceptional.

I: Lastly, how important do you think profitability is for banks? Does sustainable banking have a connection to this?

BOM: Undoubtedly, profitability is very important for banks and it is very much connected with sustainable banking. If a bank is not profitable in the long run, it won't be able to sustain in the industry. We are living in an age of rapid competition and economic changes. Thus, to survive in such a competitive environment, one must have to ensure to follow up best practices and differentiate themselves from others. But to ensure best practices, one bank must need profitability as well. In that case, sustainable banking and profitability are interconnected.