

CSR Practices in Banking Industry of Bangladesh: A Bird's-eye View

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Abstract

The arena of Corporate Social Responsibility (CSR) has been in limelight since the anti-capitalist movement grew momentum in the 1970s and 80s. In 2008, Bangladesh Bank (BB) issued CSR guidelines for banks and financial institutions. Literature reports academic interest in CSR disclosure in banking industry since 2009. This paper looks into disclosure practices in the full population (n=30, Dhaka Stock Exchange (DSE) enlisted banks) of the industry. The year 2013-2014 is taken as study period because the first deadline for Phase III of Green Banking Guideline by BB was 31 December, 2013 which eventually ended on 30 June, 2015 with extension. The authors attempted to see the extent of implications of Green Banking Policy on Corporate Social Responsibility Disclosure (CSR) practices by the banking industry as a whole instead of by a sample. The authors report improvement in CSR, albeit little.

Keywords: Bangladesh, Banking industry, CSR, DSE.

1. Introduction

A debate has been looming large for centuries whether the business community has a responsibility broader than that of economic value or not (Carroll & Shabana, 2010). In the CSR literature, Howard Bowen's text "Social Responsibilities of the Business Man" (1953) appears as the first testimony to this debate. Bowen, a strong proponent of CSR by the business and for the citizens, argued that large businesses have actual impact on the lives of citizens (Carroll, 1999). Since then, down the timeframe CSR definitions evolved into alternative concepts such as: stakeholder theory, theory of business ethics, corporate citizenship, corporate governance, social reporting, triple bottom line and more recently CSR 2:0 (Carroll, 1999, Visser, 2008; Donaldson & Pretson, 1995).

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Economist Milton Friedman takes a strong stand against CSR, arguing that profit maximisation is the sole responsibility of the businessmen and social issues should be resolved by the free market system, ultimately falling into the hands of government (Carroll, 2010). The Corporate Watch (2007) hits direct criticism on the concept and practice of CSR by calling it as no more than a corporate branding and selling tool. Companies in the USA and UK became increasingly alert to CSR practices in the aftermath of anti-capitalist movements in the 1970s and 1980s. In the developed world, there is a hype of CSR conferences, books, web sites and PR material. Non-government organisations (NGOs), the media, and public attitudes are gearing towards more environmental and sustainable issues (Sophie, 2016). International authorities such as the World Bank, OECD, IMF and the United Nations are demanding for heightened levels of corporate social responsibility as well (Jenkins, 2005; Hafsi & Farashahi, 2005).

Martínez-Ferrero and Frías-Aceituno (2015) conducted an empirical study on a sample of 1,960 multinational non-financial listed companies from 25 countries for the period between 2002 and 2010. The study announces verdict to the centuries old debate and refutes Milton Friedman and establishes the existence of a positive bidirectional and synergistic relationship between corporate social responsibility and financial performance.

This paper will attempt to shed light on CSR practices in all DSE enlisted banks in Bangladesh.

2. Literature Review

2.1 Corporate Social Responsibility Disclosure (CSRD) beyond Bangladesh

Baughn et al. (2007) examines two aspects of CSR; i.e. social and environmental type in 15 Asian countries. The performance of these Asian countries on the two types is also assessed relative to country economic, political and social conditions, and compared with those of other regions; namely: Western Europe, East/Central Europe, Australia/New Zealand, US/Canada, Middle East and Africa. On social CSR, the US/Canada and Australia/New Zealand regions rank at the top, followed by Western Europe, Asia, the Middle East, Africa, Latin America and finally, Eastern/Central Europe. The study reveals strong correlation between economic development and CSR. Singapore, Japan, Taiwan and Hong Kong score quite high on social CSR. Their scores are similar to those of Australia, New Zealand and Western Europe, and well above the mean for Asia as a whole. Malaysia is an exception that showed a high score on social CSR despite a substantially lower level of individual wealth in this country. Pakistan is reported with low levels of social CSR that resonate with her economic continuum.

Japan's commitment to environmental CSR is substantial which is at the similar level to Taiwan and Singapore. Environmental CSR gets a lot less importance than social CSR in US/Canada and the Middle Eastern nations (Baughn et al., 2007). Japan, Taiwan and Singapore score on both dimensions at the level of well-to-do countries. While Pakistan's performance falls below the average found in Eastern and Central Europe, as well as Latin America and Africa. The level of CSR activity in Eastern and Central Europe is not only well below that of Western Europe, but also, that of Asia, despite the fact that the overall level of income is similar.

Guthrie and Parker (1990) revealed through content analysis the average number of pages that organizations allotted in their reports. Companies in the US used 1.26 pages while for UK companies it was 0.89 pages and for Australian companies 0.70 pages. In 1995, Gray et al. supported that CSR reporting curve looks upward in the UK and USA. Halabi et al. (2006) found that in Australia all banks made disclosures in relation to the environment, labor practices, and human rights. However, for Irish banks social disclosures were found to be much lagging behind relative to Europe (Douglas et al., 2004). A study by Nikolaou (2007) on the banking sector in Greece stated that this sort of disclosure was mostly ad hoc in nature.

Indian companies are reported to improve in CSR practices; some have established their own CSR departments even (Hopkins, 2006). Narwal (2007) conducted a study on 33 banks in India that included banks both from private and public sectors. He installed questionnaire survey as data collection method and for data analysis descriptive statistics and factor analysis were used. This study reveals that banks commonly hold an objective view-point about CSR, with special emphasis given on education, balanced growth (different strata of society), health and environmental marketing. Narwal (2007) concludes that the banking industry across India is found to be integrating CSR with customer satisfaction at the core.

Jain et al. (2015) conducted a cross-country study covering Japan, China, Australia and India over seven years from 2005 till 2011. The study took six large banks from each of the country where they installed content analysis technique using information from annual reports and web sites. Evaluation was done on the basis of comprehensive disclosure framework; such as: ethical standards, extent of CSR reporting, environment, products, community, employees, supply chain management and benchmarking. The findings look impressive in all four countries. Of the four countries, Australian banks were reported with the best scores and Indian banks registered maximum improvement. The study concludes that in the absence of legislative requirements, CSR reporting still continued to improve, both in the category of quality and quantity.

Jain and Winner (2016) conducted a study on 200 largest state-owned and private companies in India. The authors look into CSR/Sustainability issue from the lens of GRI using information accessed through websites. This study provides insights into how Indian corporations are transforming into good corporate citizens which are actively being demonstrated through web-based communication in order to engage and interact with stakeholders. The study outlines the current CSR/Sustainability reporting trends and best practices in India and comments on overall positive signs of reforms.

Hadfield-Hill (2014) conducted a study in 2008 to understand the orientation of “corporate elite” about CSR during the time of economic crisis. Schoenberger (1991) defines “corporate elite” as the corporate heads whose motivations and strategies play a key role in project financing decisions. The author conducted thirty in-depth interviews with “corporate elite” from private, public and multi-national companies. She reports that corporate social commitments were squeezed with the lack of available credit, widespread job losses, cutbacks and business failures. The author states unequivocally that countless boards of directors and CEOs jumped on the CSR bandwagon during the good times, not only in the west, but also in countries such as India.

2.2 Corporate Social Responsibility Disclosure (CSRD) within Bangladesh

In 2008, BB issued an elaborate directive titled ‘Mainstreaming Corporate Social Responsibility (CSR) in Banks and Financial Institutions in Bangladesh’¹. Khan et al. (2014) reported that first academic research available on CSR in Bangladesh was in 2009. Since then, there has been an increasing trend of CSR reporting in Bangladesh.

Following is a table that includes academic articles found in journals² as journal articles are authoritative (Belal and Momin, 2009). Here we have reviewed 15 articles.

¹ DOS Circular No. 01 ‘Mainstreaming Corporate Social Responsibility (CSR) in banks and financial institutions in Bangladesh’ dated 1 June 2008.

² Such as Journal of Business Ethics, World Review of Business Research, Contemporary Issues in Business Research, Corporate Ownership and Control, The Bangladesh Accountant, Bank Parikrama, International Review of Business Research Papers, Social Responsibility Journal, World Journal of Social Sciences, Journal of the Department of Management Studies, International Journal of Law and Management, Journal of Asia-Pacific Business, Social Responsibility Journal.

Author	Study Period	Sample	Research Methods	Findings
Belal et al. (2015)	1983-2010	Islamic Bank Bangladesh Limited	Interviews and Content analysis	Overall social disclosures increased gradually with acceleration in latest years. Image building worked as a primary motive for disclosures, albeit inadequate. This paper doubts consistency of IBBL's investment portfolio with the socio-economic framework of Islamic finance. The paper reports a decreasing utilization of PLS mode of investment in its portfolio. Interview evidence suggests that the key drivers of social disclosures include a range of factors such as gaining publicity, promoting social welfare motives, adherence to the guidelines on corporate social responsibility and the desire to be a winner in various award schemes.
Das et al. (2015)	2007-2011	29 listed banks in DSE and CSE	Content Analysis	About 18% increase in average CSR disclosure was reported with more than 10 times increase in direct monetary expenditure. CSR disclosure was found to be positively significant with firm size, board size, ownership structure, independent non-executive director. Surprisingly, a negative association was shown between CSR disclosure and firms' profitability which is highly arguable (Martínez- Ferrero & Frias-Aceituno, 2015). Correlation between CSR disclosure and board leadership structure was found to be insignificant. Disclosure practices were unstructured and needed to adopt a comprehensive format as suggested by GRI, 2006.
Hossain and Rab (2015)	2013	15 DSE listed private commercial banks(PCBs)	Content Analysis	Banks disclosed HR issues the most which matched with Ahmad et al. (2010). Disclosure on environment and community issues were found to be moderate which refuted Ahmad et al. (2010) who reported environmental issue as the least disclosed category.
Khan et al. (2014)	2014		Literature Review	A theoretical framework was proposed through the angle of New Institutional Sociology (NIS), strategic response and Legitimacy theory.
Saha et al. (2013)	2010-2011	6 listed banks	Content Analysis	In proportion to the profit the sample banks contributed insignificant amount to CSR activities.

Ullah (2013)	2007 - 2010	47 scheduled banks	Content Analysis	There was reported an evident increase in banks' involvement in CSR expenditure, community investment, financial inclusion, CSR governance, CSR reporting, and environmental safety. However, this study shows no significant correlation between CSR and total revenue, net income after tax, number of branches, or deposit growth.
Sobhai et al. (2012)	2009	29 listed banks	Content Analysis	Invariably, all listed banks reported sustainability issues (mostly social), but in unstructured manner through both annual reports and websites. In general, preference was given to annual report over website. Islamic banks disclosed more on sustainability issue compared to conventional banks. Surprisingly, among the three generation of banks the level of disclosure of the older banks could not surpass that of the younger ones.
Masud and Hossain (2012)	2010	10 listed banks	Content Analysis	All banks reported participation in CSR activities but for more than 40% of the sample, participation was not in line with the areas specified by Finance Act 2010 and 2011.
Azim et al. (2011)	2007 - 2008	All listed companies under Finance Sector	Content Analysis	Half of the sample companies had disclosure practices. They echoed with Belal (2001) and Imam (2000) that most corporate disclosures were found to be qualitative in nature.
Khan et al. (2011)	2008	12 listed commercial Banks	Content Analysis	Out of 16 GRI disclosures recommended for financial service sector, only 7 items were disclosed by all sample banks. Information on society was the most disclosed, followed by the disclosures on decent works and labour practices and environmental issues. Disclosure on product responsibility information and human rights was relatively absent from banks' reporting.
Sobhai et al. (2011)	2000-2009	2 Banks as cases	Content Analysis	Sustainability disclosures showed an upward trend except energy, human rights and natural environment issues. Both banks disclosed considerable degree of economic and social items.

Ahmad et al. (2010)	2008	20 listed banks	Content Analysis	The most reported CSR theme was human resource whereas the least was the environmental one. The level of CSRD was found to have significant correlation with firm size, profitability and firm age.
Khan (2010)	2007 - 2008	30 listed private commercial banks	Content Analysis	CSR reporting practice was influenced by the existence of the nonexecutive directors and foreign directors.
Azim et al. (2009)	2006 - 2007	246 listed companies	Content Analysis	Around 16% companies disclosed CSR information voluntarily. Disclosure was more with banking industry than with non-banking one.
Khan et al. (2009)	2004 - 2005	20 DSE listed banking companies	Content analysis and Questionnaire	CSR reporting was mostly narrative in nature. Stakeholders were interested to see more disclosures.

These studies admit that the disclosure level and practices have increased significantly during the period 2009-2013 in the banking industry of Bangladesh but are still inadequate. (Khan et al., 2009; Khan et al., 2011; Azim et al., 2011; Masud & Hossain, 2012).

After the issuance of the elaborate directive titled ‘Mainstreaming Corporate Social Responsibility (CSR) in Banks and Financial Institutions in Bangladesh’ by BB in 2008 Banks showed some improvement though little in CSRD practices (see for example, Kahn et al., 2009; Khan, 2010). This paper aims to see the impact of another circular in 2011 by BB called ‘Green Banking Policy Guideline³ (Available in Appendix-C) on the Banks’ CSRD practices. We attempt to see the extent of implication of Green Banking Policy by the banking industry as a whole instead of by a sample.

3. Methodology

The study is done on a full population (n=30) DSE enlisted banks (the detailed list of the banks are available in Appendix A). The year 2013-2014 is taken as study period because the first deadline for Phase III of Green Banking Guideline by BB was 31 December, 2013 which eventually ended

³ BRPD Circular No. 02 Dated 27 February 2011.

on 30 June, 2015 with extension. We could not extend our study period to 2015 as the annual reports for 2015 are not available yet for most of the banks.

Annual reports of 30 DSE enlisted commercial banks for 2013-2014 were collected and rigorously analyzed. Annual reports, in general, command credibility as they are means of communication to stakeholders (Adams, 2004; Gray et al., 1995a, b; Guthrie & Parker, 1990; Raman, 2006; Singh & Ahuja, 1983). Separate CSR disclosure reports of these banks for 2013-2014 were also reviewed.

Content analysis is the key instrument used in this study. It is a research tool for making valid inferences from texts (or other meaningful matters) (Krippendorff, 2004). It is an approach which systematically filters the contents under specific categories. An important element of content analysis is the collection and development of categories into which content units can be classified (Ali et al., 2008). Due to the flexibility of this approach it is used extensively (Cho, 2009; Gray, Kouhy, & Lavers, 1995b; Haniffa & Hudaib, 2007; Maali et al., 2006; Tilling & Tilt, 2010).

We used earlier work by Ernst and Ernst (1972-78), Guthrie and Parker (1990), and Gray et al. (1995a) to organize information into two categories: Theme, Location. Theme was based on variables such as environment, human resources, and community involvement. Location refers to directors and/or chairman's reports, separate sections of annual reports and separate or stand alone reports.

The frame work of disclosure items used in this paper is provided by Ahmad et al (2010) and modified by Hossain and Rab (2015). This study uses three broad categories of disclosures, namely: environmental issue, human resource issue and community issue which are further subcategorized into a total of fifteen.

4. Findings and Analysis

4.1 Analysis and Discussion of Results

After the issuance of Green banking policy guide lines by BB, the practice of including a separate chapter on Green Banking has been common among all the banks. BB requires every bank to submit a green banking report on a quarterly basis. Being a watchdog BB is enforcing the banks to formalize their disclosures. In our study we aim to find the actual impact through empirical evidence that banks are actually acting according to rules or not and it was found that among 30 listed banks 21 had separate chapter for green banking. The exception was BRAC bank that published a whole

green banking report separately. This means every bank has taken the policy implication seriously and has started to double their effort in disclosure.

Table 1: Disclosure Practices on Environmental Issue

Environmental Issue	No. of Disclosing Companies in the total sample(n=30)		% of the total population		Location of Information				
	2013	2014	2013	2014	Separate report		Directors Report		Notes to the accounts
					2013	2014	2013	2014	
*Commitment to Environment	30	30	100	100	21	21	11	11	-
**Contribution: to Environment	29	29	96.66	96.66	19	19	11	11	-
**Employees' training on green event	24	25	80.00	83.33	17	17	8	9	-
**Policy on environment restoration	27	29	90.00	96.66	20	22	8	8	-
*Amount spent on environment restoration	22	22	73.33	73.33	17	17	6	6	-

* 2 banks have disclosed on Commitment to Environment and Amount spent on environment restoration in both director's report and separate report section.

** 1 bank has disclosed on Contributions to Environment, Employees' training on green event and Policy on environment restoration in both director's report and separate report section.

Does preparing a separate chapter or separate report mean banks are disclosing whole-heartedly? Further evidences need to be collected and scrutinized to answer this question. Table 1 of this report gives a comparative scenario of banks for 2013 and 2014 under five disclosure indices for environmental issues. In case of commitment to environment 100% banks were found to be committed since 2013. Commitment to environment is reflected by establishing a Green Banking Unit or Cell, reducing carbon foot print in its operation and lending to customers in compliance with Environmental and Social Risk Policies (BB, 2011). All the listed banks said that they have established a committee for green banking and named that as Green Banking Unit (GBU) or Green Banking Cell (GBC). So, along with dedicating few more pages in a separate section in Annual Report for green banking, banks have created separate division/unit.

All banks except Uttara Bank said they took steps toward formulating "Green Office Guide" or at least circulating general instruction of in-house green banking which includes saving paper, water, energy and assessing a borrower from the perspective of Environmental Risk Management (ERM). 19 banks disclosed their contributions to environment in a separate

chapter whereas 10 banks did in the director's report, but Southeast Bank reported in both director's report and separate section.

Another important determinant of how green banking is actually progressing is the information on employees' training on green event. If banks are to implement green banking policy they must train their employees. Training is needed not only for the employees who is working as GBU or GBC but also each and every employee who is working for the banks. Question might arise why so? Because green banking is not only about preparing a quarterly report and submitting to the BB and writing some pages in the annual report rather it is all about practical implication. The banks are saying that they have started in-house green banking by saving paper, water, energy, etc.

We can surely validate these information by finding evidence of training on green event, amount spent on environment restoration. Only 80% of the full population have arranged training on green event for their employees which means their commitment to environment is somewhat vague as 20% of the population are absent in this regard. Bank Asia is ahead on this issue followed by Exim Bank among all. Another validation point is that to save energy banks need to install solar panels, energy saving electronic system; to be paperless they need to have in-house online networking; some banks are really working on green banking for example IBBL has installed solar panels in its all branches. It is found that 22 banks disclosed information on amount spent on environment restoration. We found IBBL as the champion and DBBL as the runner up at environment restoration expenditure. 27% of the banks did not report any activity that can justify that they are actually implementing green banking.

To be in line with BB banks should finance environmental infrastructure projects such as: renewable energy project, clean water supply project, wastewater treatment plant, solid and hazardous waste disposal plant, bio-gas plant, bio-fertilizer plant etc. as policy on environment restoration (BB, 2011). This paper finds it to be 90% in 2013 and 96.66% in 2014 among full population. These figures are high because as per BB environmental risk management is a must before lending to any borrowers and every borrower is assessed under these policy guidelines. To enforce green banking BB has directed banks to finance more in above sectors and banks are acting accordingly. Some relevant examples of Green Banking are available in Appendix-D.

4.2 Disclosures on Human Resource Issue

In each of the components under HR issue 100 % of the sample banks have made disclosure except in break-down of the employees by executives and non-executives and in number of employees trained. In this paper Standard

Bank and Uttara Bank joined the three other banks that did not disclose break-down of employees. They are: AB Bank, FSIBL, and UCBL. This is noteworthy that Company Act 1994 makes this disclosure binding.

Table 2: Disclosure Practices on Human Resource Issue

Human Resource Issue	No. of Disclosing Companies in the total sample(n=30)		% of the total population		Location of Information					
					Separate report		Director's Report		Notes to the accounts/Income statement	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Formal HR Policy	30	30	100	100	10	10	20	20	-	-
*Break down of the employees by executives and non-executives	25	25	83.33	83.33	4	4	5	4	21	21
**Amount spent on training employees	30	30	100	100	1	1	-	-	30	30
No. of employees trained during the year	27	26	90.00	86.66	12	12	14	14	1	-
**Information on employee benefits	30	30	100	100	3	3	-	-	28	28

* 5 banks have disclosed on Break down of the employees by executives and non-executives in both notes and director's report section.

** 1 bank has disclosed on Amount spent on training employees and Information on employee benefits in both notes and separate report section.

Amount spent on training employees and information on employee benefits are disclosed in the notes to the financial statements as these are expenses and should be recorded in financial statements. In 2013, 90% and in 2014, 86.66% banks reported about the number of employees who got trained during the year. The human resource disclosure scored high among all three disclosure issues. From earlier studies of Khan et al. (2009); Khan (2010); Ahmad et al. (2010); Sobhani et al., (2011-2012) it is evident that firms are inclined to report more human resource issue compared to other issues. We also found no exception.

4.3 Disclosures on Community Issues

Out of the five components of community issue education ranked first and other communities' involvement theme ranked second with 96.66% and

93.33% respectively. This very finding is in line with BB review of 2012 and can be attributed to Finance Act 2011⁴. BB review reports on the direct CSR expenditure by the banks reveal that education sector receives the major contribution which is close to 32% (BB, 2012).

Table 3: Disclosure Practices on Community Issuest

Community Issues	No. of Disclosing Companies in the total sample(n=30)		% of the total population		Location of Information				
					Separate report		Director's Report		Notes to the accounts
	2013	2014	2013	2014	2013	2014	2013	2014	
*Education	29	30	96.66	100	21	22	9	9	-
Health	23	25	76.66	83.33	16	16	7	9	-
**Donation to disaster	24	24	80.00	80.00	18	18	8	8	-
*Community activities	26	25	86.66	83.33	20	19	7	7	-
*Other communities involvement	28	28	93.33	93.33	20	20	9	9	-

* 1 bank has disclosed on Education, Community activities and on other communities involvement in both director's report and separate report section.

* 2 banks have disclosed on Donation to disaster in both director's report and separate report section.

5. Conclusion

In this paper the authors report improvement in CSR, albeit little which is congruent with Baughn et al. (2007). Though variation was found in the pattern and level of disclosure, most of the banks presented the green banking issues in the prescribed format of BB. Most Banks' disclosed human resource issues can be attributed to the notion that being service oriented organization banks are prone to capitalize on the efficiencies and capabilities of human resources and through disclosure in annual reports they are actually advertising their strength of human resources. In case of community issues almost every bank tried to highlight their contribution though in terms of percentage of total turnover these expenditure are somewhat very little and again most of the banks only disclosed the name of the CSR program and number of people got benefitted from the program but the amount spent was absent in all manner. So, it can be said Banks are smart enough to satisfy

⁴ According to Finance Act 2011 a company including banks will get tax rebate @ 10% not exceeding BDT core or 20% on total income, whichever is lower donation to 22 CSR areas specified by the Act (GOB, 2011).

their shareholders by making separate chapters and increasing number of pages writing good news about CSR or Green Banking but this paper could not find real or quantitative evidence to support their claim. This study is limited to only 2014 annual reports. Further follow up research will be meaningful using 2015 annual reports. Case study may further enrich the understanding of management philosophy behind green banking disclosure practices.

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Appendices

Appendix-A: Name of Banks

1. AB Bank	16. Mutual Trust Bank Ltd. (MTB)
2. Al-Arafah Islami Bank (AIBL)	17. National Bank Ltd. (NBL)
3. Bank Asia	18. NCC Bank Limited
4. BRAC Bank Ltd.	19. One Bank Limited
5. City Bank	20. Premier Bank Limited
6. Dhaka Bank Limited	21. Prime Bank
7. Dutch-Bangla Bank (DBBL)	22. Pubali Bank
8. Eastern Bank Limited (EBL)	23. Rupali Bank
9. Exim Bank Limited	24. Shahjalal Islami Bank limited
10. First Security Islami Bank Limited (FSIBL)	25. Social Islami Bank Limited (SIBL)
11. ICB Islamic Bank Limited (ICBIBank)	26. Southeast Bank
12. IFIC Bank	27. Standard Bank Limited
13. Islami Bank Bangladesh Limited (IBBL)	28. Trust Bank Limited (TBL)
14. Jamuna Bank Ltd.	29. United Commercial Bank Limited (UCBL)
15. Mercantile Bank Ltd.	30. Uttara Bank

Appendix-B: List of Social Disclosure Items

Environmental Issue		Community Involvement Issue
1. Commitment to environment	6. Formal HR policy	11. Education
2. Contributions to environment	7. Break-down of the employees by Executive and Non-Executive	12. Health
3. Employees' training on green event	8. Amount spent on training employees	13. Donation to disaster
4. Policy on environment restoration	9. Number of employees trained during the year	14. Community activities
5. Amount spent on environment restoration	10. Information on employee benefits	15. Other communities involvement

Appendix-C: Phases of Implementation of Green Banking Program Suggested by Bangladesh Bank (Prepared from GBCSRD Circular Letter No. 05)

Phase I (June 30, 2014)	Phase II (Dec 31, 2014)	Phase III (June 30, 2015)
1.1 Policy Formulation and Governance	2.1 Sector-specific Environmental Policies	3.1 Designing and Introducing Innovative Products
1.2 Incorporation of Environmental Risk in CRM	2.2 Green Strategic Planning	3.2 Reporting in Standard Format with External Verification
1.3 Initiating In-house Environment Management	2.3 Setting up Green Branches	
1.4 Introducing Green Finance	2.4 Improved In-house Environment Management	
1.5 Creation of Climate Risk Fund	2.5 Formulation of Bank specific Environmental Risk Management Plan and Guidelines	
1.6 Introducing Green Marketing	2.6 Rigorous Programs to Educate Clients	
1.7 Online Banking	2.7 Disclosure and Reporting of Green Banking Activities	
1.8 Supporting Employee Training, Consumer Awareness and Green Event		
1.9 Reporting Green Banking Practices		

Appendix D: Some Examples of Green Banking Practices of Commercial Banks in Bangladesh

Green Banking Activities	Name of Banks
Provided refinancing facility to 1,693 Bio-gas Plant amounting to total Tk. 489.99 million	Trust Bank Limited
Handed over 1,000 Flamboyant trees to Dhaka South City Corporation (DSCC).	Dhaka Bank Limited
Allocated budget for Tk.5.00 million as Climate Risk Fund for help/rehabilitation of the affected people due to natural disasters like flood, cyclone, drought etc. for climate change.	Dutch Bangle Bank Limited

Green Banking Activities	Name of Banks
Incurred Green marketing expenditure amounted to Tk. 18.00 million for the year 2014 and put emphasizes selling products and/or services based on their environmental benefits like ATM debit card, Visa Debit Card, M-Cash, i-banking, i-recharge, Remittance card, SWIFT, Call center, Online banking, SMS banking etc.	Islami Bank Bangladesh Limited (IBBL)
Inaugurated 10 Green Branches at Uttara, Tongi, Narshingdi, Majdee, Madambibirhat, Juri, Rayerbazar, Faridgonj, Mahipal and Parulia.	NCC Bank Ltd.
Organised an environment awareness program for school students and handed over saplings to the students as a part of the awareness campaign.	Brac Bank Limited
Developed “EBL Nobody”, a creative financial product to generate electricity from poultry waste to prevent environmental pollution.	Eastern bank Limited
Planted trees at vast areas adjacent to Water Bus Terminal at Gabtoli in Dhaka and distributed saplings amongst customers at different branches.	Mutual Trust Bank Limited
Introduction of Earth Hour in every Branch and at Head Office by switching off Air Coolers of the branches as well as the unnecessary lights for 1 (one) hour every Sunday from 3:00 p.m. to 4:00 p.m.	AB Bank
Opened a green branch at Ruhitpur Bazar, Keranigonj and installed Energy efficient bulb and other electric appliances.	Al Arafah Islami Bank
Allocated Tk15 million per quarter for green marketing, training and capacity building.	Prime Bank
Disbursed a total some of Taka 6,518.03million under ETP, Solar Plant/ Energy Renewable Plant, HKK and other Green Industry.	Social Islami Bank Limited (SIBL)