

# **Chapter: 1**

## **Orientation of the study**

## 1.1 Introduction:

The MBA program is designed to focus on theoretical and professional development of people open to take up business as a profession as well as service as a career. The Bank actively embraces its role as a corporate citizen .Green banking practice is not as a charity but as a social investment. It also helps us to learn about the concept such as description of money, bank like commercial banking, central bank, also its service of bank and one of the most important side of Corporate Social Responsibility. My topic for thesis paper is **“Contribution of Green Bank toward rural development in Bangladesh”: A case study of selected Three Commercial Bank”**.

## 1.2 Background of the study:

Banking system occupies an important place in a nation's economy because of its intermediary role; it ensures allocation and re-allocation of resources and keeps up the momentum of economic activities. In a developing country like Bangladesh, the banking system as a whole has a vital role to play in the progress of the economic development.

## 1.3 Objective of the study:

Without objectives any study cannot be considered as the successful one. There are basically two objective of any study, broad or main and specific. This report is also prepared based on two objectives.

### 1.3.1 Main Objective:

The aim of the study was to know the **“Contribution of Green Bank toward rural development in Bangladesh”: A case study of selected Three Commercial Bank”**. of specific organization. Therefore, to obtain this aim and set the following objectives of studies.

### 1.3.2 Supporting objectives:

- To identify the various green banking activities performed by Banks.
- To identify the documents used in green banking activities of the sample banks.
- To throw light on the concept of Green banking.

- To attain the knowledge about green banking activities of Bangladesh.
- To suggest in order to improve the green banking dealings performance of banks.
- To find out the major problems relating in green banking activities of Private sector of BD
- To observe and analyze the total contribution of green banking activities of private bank sector in BD.

### 1.4 Scope of the study:

A healthy banking system is essential for any economy striving to achieve good growth and yet remain stable in an increasingly global business environment. There are many things, which are not invented yet. The growth of online banking services sector has been a key development on the market front. Bangladeshi banks (both public and private) have not only been keen to tap the domestic market but also to compete in the global market place so there are many scopes for further internee.

### 1.5 Methodology of the report:

Methodology of the study is an essential part of the study. It is designed in a way so that it correspondent to achieve the objectives of the study. In this part, I describe the research methods followed in this study. I used secondary data for this research. I try to make study informative, analytical, useful and interesting.

**a) Selection of the topic:** The topic of the study was assigned by the honorable supervisors. While assigning the topic necessary recommendations and suggestions were provides by my honorable supervisor to make this internship report a well organized and perfect one.

**b) Identifying data sources:** Essential data sources, both primary and secondary data source, were identified that would be needed to carry on the study and complete this report. Information collected to furnish this report is both from primary and secondary sources.

The information and data for this report have been collected from both the primary and secondary sources.

#### 1.5.1 Primary data:

Primary data collected through discussion one with another and also by taking help of the supervisor's suggestions.

### **1.5.2 Secondary data:**

The secondary data has been collected from different publication of different banks. To clarify different conceptual matters, Internet and different articles published in the journals & magazines have been used. The Secondary Sources are:

- Book.
- Internet.
- Different company annual report leaflet, article etc.
- Annual Reports of the individual banks 2016.
- Newsletter of the regarding banks.
- Other published documents of concerned banks.

### **1.5.3 Data analysis:**

This study has been used the following analytical tools for discussion.

To make this report successful one I will analyze the data as follows:

The analysis of this report is SWOT analysis. In analysis I will covers the investment management under the banking system of different Social Islamic Bank, Dutch Bangla Bank and Dhaka Bank Ltd. In SWOT analysis this I also shown some analysis for making comparisons among three banks.

### **1.6 Limitations of the study:**

As it is the first organized research on this topic, I had to face a lot of problems since adequate Information is not available, in many cases these were hard to gather. Some obstacles are faced in gathering some information for this report.

- The main limitation I faced in preparing this report was obstacles in finding information.
- Lack of sufficient information (both primary and secondary data), as this topic is considered as very much confidential topic for the organization.

- The time period of this study is very short. We had only 8 weeks in our hand to complete this report, which was not enough. So we could not go in depth of the study. Sometimes the officials were busy and were not able to give us much time.
  
- I had a little opportunity to spend enough time to prepare this type of big report within a short period of time. For this reason we have to hurry for complete this report within the time.
  
- Few officers sometime felt disturbed, as they were busy in their job. Sometime they didn't want to supervise us out of their official work.
  
- Some of employees of the bank do not want to provide information.

# **Chapter: 2**

## **An Overview of Banking Sector in Bangladesh**

## **2.1 Definition of bank:**

A financial institution that is licensed to deal with money and its substitutes by accepting time and demand deposit, making loans, and investing in securities.

On the other hand, financial institution whose primary activity is to act as a payment agent for customers and to borrow and lend money. Banks are important players of the market and offer services as loans and funds.

"A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people" - A. Subba Rao Pai founder of Canara bank

## **2.2 Objective of Bank:**

- To facilitate the transferring of fund from the surplus unit to deficit unit
- To accelerate the savings
- To accelerate the investment
- To enhance the economies development
- To facilitate the trades and commerce's

## **2.3 Historical background of the banking in Bangladesh Bank:**

Bangladesh inherited its banking structure from the British regime and had 49 banks and other financial institutions Partition of India in before the 1947. The Bangladesh government initially nationalized the entire domestic banking system by Presidential Order No. 26 titled Bangladesh Banks Nationalization Order, 1972 and proceeded to reorganize and rename the various banks. Foreign owned banks were permitted to continue doing business in Bangladesh .At birth, Bangladesh inherited an interest based banking system, which was introduced here earlier when the country was a part of British Colony. Since its inception Bangladesh saw a new trend in banking both at home and abroad. The Dhaka Bank established in 1806 was the first commercial bank in the Bangladesh region of British India. Bengal Bank, the first British-Patronized modern bank established in India in 1784, had opened its two branches in 1873 in Sirajganj and Chittagong of Bangladesh region. Later in 1862, the Bengal Bank Purchased the Dhaka

Bank. Thereafter, another branch of Bengal Bank was opened in Chandpur in 1900. Other branches of Bengal Bank were opened in this region and some branches had been closed in same time. There were six other branches of Bengal Bank in operation in the Bangladesh until the Partition of British-India in 1947 and these branches were Chittagong (1906), Mymensing (1922), Rangpur (1923), Chandpur (1924), and Narayanganj (1926).

The emergence of Pakistan in 1947, Stat Bank of Pakistan, the Central Bank of the country, came into being in July 1948. Later, the National bank of Pakistan, a strong commercial bank was set up in 1949. In all, 36 scheduled commercial banks were in operation in the whole Pakistan until 1971. Pakistanis owned most of these banks and only three of them namely, National Bank of Pakistan, Habib Bank Ltd. and the Australasia Bank Ltd, had one branch of each in East Pakistan in 1949. During 1950-58, there other Pakistani-owned banks, Premier Bank Ltd., Bank of Bhowalpur Ltd. and Muslim Commercial Bank, had opened their branch in East Pakistan. Four Pakistan-owned banks, the United Bank Ltd., Union Bank Ltd., Standard Bank Ltd. and the commerce Bank Ltd. Conducted banking business in the Province during 1959-1965. But all of them Had their headquarters in west Pakistan. East Pakistan had only two banks Owned by local business groups white headquarters in Dhaka. These were the Eastern Mercantile Bank Ltd. (Presently Pubali Bank Ltd.) And Eastern Banking Corporation Ltd. (Presently Uttara Bank Ltd.) established in 1959 and 1965 respectively. In the beginning of 1971, there were 1130 branches of 12 banks in operation in East Pakistan. The foundation of independent banking system in Bangladesh was laid through the establishment of the Bangladesh Bank in 1972 by the Presidential Order No. 127 of 1972 (which took effect on 16<sup>th</sup> December, 1971). Through the Order, the eastern branch of the former State Bank of Pakistan at Dhaka was renamed as the Bangladesh Bank as a full-fledged office of the central bank of Bangladesh and the entire undertaking of the State Bank of Pakistan in, and in relation to Bangladesh has been delivered to the Bank.

The Bangladesh Banks (Nationalization) Order enacted in 1972 nationalized all banks except foreign ones. Six nationalized banks were formed through merging the existing banks of the period.

The rate of growth and development of banking sector in the country was extremely slow until 1983 when the government allowed to establish private banks and started denationalization process: initially, the Uttara Bank in the same year and thereafter, the



Pubali Bank, and the Rupali Bank in 1986. Growth pattern of banks during the period 1973-1983.

There were no domestic private commercial banks in Bangladesh until 1982; When the Arab-Bangladesh Bank Ltd. commenced private commercial banking in the country. Five more commercial banks came up in 1983 and initiated a moderate growth in banking financial institutions. Despite slow growth in number of individual banks, there had been a relatively higher growth of branches of nationalized commercial banks (NCBs) during 1973-83. Their number had increased from 1512 in 1973-74 to 4603 in 1982-83. Bangladesh Bank has been entrusted with all of the traditional central banking functions including the sole responsibilities of issuing currency, Keeping the reserves, formulating and managing the monetary and credit policy, regulating the banking system, stabilizing domestic and external monetary value, preserving the par value of Bangladesh.

#### **2.4 Banking operation in Bangladesh Bank:**

After the Liberation War and the eventual independence of Bangladesh, the Government of Bangladesh reorganized the Dhaka branch of the State Bank of Pakistan as the central bank of the country, naming it Bangladesh Bank. This reorganization was done pursuant to Bangladesh Bank Order, 1972, and the Bangladesh Bank came into existence retroactively from 16 December 1971.

The 1971 Mujib regime pursued a pro-socialist agenda. In 1972, the government decided to nationalize all banks in order to channel funds to the public sector and to prioritize credit to those

The Financial Sector Adjustment Credit (FSAC) and Financial Sector Reform Programme (FSRP) were formed in 1990, upon contracts with the World Bank. These programs sought to remove government distortions and lessen the financial repression.<sup>[4]</sup> Policies made use of the McKinnon-Shaw hypothesis, which stated that removing distortions augments efficiency in the credit market and increases competition.<sup>[3]</sup> The policies therefore involved banks providing loans on a commercial basis, enhancing bank efficiency and limiting government control to monetary policy only. FSRP forced banks

to have a minimum capital adequacy, to systematically classify loans and to implement modern computerized systems, including those that handle accounting. It forced the central bank to free up interest rates, revise financial laws and increase supervision in the credit market. The government also developed the capital market, which was also performing poorly.

FSRP expired in 1996. Afterwards, the Government of Bangladesh formed a Bank Reform Committee (BRC), whose recommendations were largely unaddressed by the then-government.

## **2.5 Types of bank: Recent**

### **Nationalized Commercial Banks**

- i. Sonali Bank
- ii. Janata Bank
- iii. Agrani Bank
- iv. Rupali Bank

### **➤ Specialized Banks:**

- i. Bangladesh Krishi Bank
- ii. Bangladesh Shilpa Bank
- iii. Rajshahi Krishi Unnayan Bank
- iv. Bank Of Small Industries & Commerce Bangladesh

### **➤ Domestic Private Commercial Banks:**

- i. Pubali Bank
- ii. Uttara Bank
- iii. Arab Bank
- iv. IFIC Bank

- v. Islami Bank Bangladesh
- vi. National Bank
- vii. The City Bank
- viii. United Commercial Bank
- ix. The Oriental Bank
- x. Eastern Bank
- xi. National Credit And Commerce Bank
- xii. Prime Bank
- xiii. South East Bank
- xiv. Dhaka Bank
- xv. Al-arafah Islami Bank
- xvi. Social Investment Bank
- xvii. Dutch Bangla Bank
- xviii. Mercantile Bank
- xix. One Bank
- xx. Exim Bank
- xxi. The Premier Bank
- xxii. Standard Bank
- xxiii. Bangladesh Commerce Bank
- xxiv. Mutual Trust Bank
- xxv. The Trust Bank
- xxvi. Bank Asia
- xxvii. First Security Bank

➤ **Foreign Banks:**

- i. City Bank
- ii. Commercial Bank of Ceylon ltd
- iii. Habib Bank ltd
- iv. The Hong Kong and Shanghai banking Corporation ltd (HSBC)
- v. Standard Chartered Grind lays Bank ltd
- vi. State Bank of India
- vii. National Bank of Pakistan
- viii. Bank Al-Falah Limited
- ix. Woori bank

# Chapter: 3

## Literature Review of Green Banking

### **3.1 Review of Green Banking:**

Global climate change and energy crisis are the biggest environmental challenges we are facing today. We all are concerned that the overall environmental scenario is deteriorating as a result of rapid global warming and change in the climate. Banks have a significant role to play in these game-changing developments, a role which can be ensured through timely interventions by a committed and effective financial system.

The key to sustainable development is to ensure broad-based inclusive economic growth with protection of natural resources; preservation of the regenerating capacity of the ecological system; and avoidance of environmental risks on future generations. Surely, financial sector is the key sector that can play an intermediary role between economic development and environmental protection. Bangladesh Bank has intervened in a timely manner and advised banks to facilitate their clients with utmost care in opening Letters of Credit (L/C) for installation of Effluent Treatment Plant (ETP) in industrial units, and financing in solar energy, bio-gas and ETP, etc. FIs have also been advised to comply with the guidelines on Corporate Social Responsibility (CSR), where FIs have been asked to concentrate on linking CSR at their highest corporate level with environmentally and socially responsible practices and engaging with borrowers in scrutiny of the environmental and social impacts of their activities.

Bangladesh Bank is the first central bank in the world which has taken real initiatives, according to a definite agenda in its vision and mission to play a specific role in Green Banking by taking responsibility in safeguarding the planet from unusual weather patterns, rising greenhouse gas and declining air quality. Green Banking is not limited only to in-house green activities, but extends to facilitating Green Financing. Green Financing through due diligence checklists under Environmental Risk Management (ERM) Guidelines is not intended to squeeze investment; rather it is for sustainable finance. Green financing under Green Banking activities can make a great contribution to the transition to resource efficient and low carbon industries, i.e. green industry and green economy in general.

A Green Economy can be thought of as an alternative vision for growth and development; one that can generate growth and improvements in people's lives in ways

consistent with sustainable development. A Green Economy promotes a triple bottom line: sustaining and advancing economy, environmental and social well-being.

Green environment is one of the most important issues in today's world where people from all over the world are raising their voice against environment pollution. Governments in all over the world are working on a balanced development where the country will be able to develop its economy without negative consequence on the environment. Government has developed different framework and strategies to find out the best possible solution in order to protect the country as well as the global environment. The recent RIO+20 summit organized by United Nations which was held in Brazil also focused on how to safeguard global economic growth without destroying the planet in the process. Bangladesh as a part of the global family is considered as the most vulnerable country and would be one of the most severely affected countries for the consequence of environment pollution. Bangladesh as a part of united nation is also working on its internal environmental pollution. The country has developed different legislations to be applied on different industries to minimize the damage on its environment. Green Banking is one of the important legislations developed by Bangladesh Bank to be applied on Bangladesh's financial sector.

Bangladesh Bank issued policy guidelines for developing Green Banking practices and Environmental Risk Management and circulars to handle climate change. Green Banking is a multi-stakeholders' endeavor where FIs have to work closely with government, NGOs, IFIs/IGOs, Central Bank, consumers and business communities to reach the goal. Green Initiatives by banks include internal environment management, environmental financing/product ecology, environmental disclosure and reporting, formulating and adopting principles and promoting other stakeholders.

Being a responsible corporate citizen and with a view to developing green banking practices in the country, Bangladesh Bank issued a circular in February 27, 2011 on Policy Guidelines for Green Banking and stated that "to adopt a comprehensive Green banking policy in a formal and structured manner in line with the global norms so as to protect environment degradation and ensure sustainable banking practices". In line with the instructions of Bangladesh Bank, all FIs have taken initiatives to formulate its Green Banking policy with an aim to inculcate practices towards optimum usage of natural resources and make every effort for environmental friendly activities.

One of the major factors of the implementation of Green Banking by the Bangladeshi FIs is the pressure from Bangladesh Bank. As a powerful stakeholder, Bangladesh Bank is pushing hard to the commercial banks for the implementation of this green banking. Financial benefit is another reason that works as a motivating variable for the proper utilization of green banking. There are studies showing positive correlation between environmental performance and financial performance (Blacconiere 1993; Hamilton 1995; Hart 1995; Pattern 1993). Thus, it is imperative for the FIs in the present context to consider environmental performance in deciding whether to invest in companies or advise clients to do so.

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

Bangladesh Bank has undertaken different steps to make Green Banking a reality. “Bangladesh Bank has launched the Tk. 2.0 billion Green Banking Refinance Scheme in August 3, 2009 to fund renewable energy projects in the country that has been reeling under chronic power cut”. According to Bangladesh Bank, “People are not aware of our green financing fund. They even do not know from where it is available. This is mainly responsible for the poor disbursement,”.

Another initiative that Bangladesh Bank has taken is about the interest rate related to Green Banking loan. “Bangladesh Bank (BB) has increased the interest rate for green banking aiming to encourage the commercial banks to strengthen disbursement of the loan under its refinance scheme, officials said” ([www.thefinancialexpress-bd.com](http://www.thefinancialexpress-bd.com)). Despite the factors like customer demand and environmental awareness, there are some other factors that influence banks to implement green banking. Cost saving is one of the important benefits of green banking (Heim and Zenklusen 2005). In few cases the environmental management system resulted in lower risk, greater environmental stewardship and increase in operating profit (Jeucken, 2001). In future, market will reward those industries or the companies, which emerge as the efficient users of the energy and raw materials and will penalize the less efficient one. Further, the investors in the stock market are equally aware of environmental pollution and would take a stand against those industries/institutions that do not comply with pollution norms (Gupta, 2003; Goldar, 2007). According to Nigamananda (2011) “Some other benefits of green banking are: It will rationalize the paper use by giving free access to do all the banking transactions through Internet Banking, SMS Banking, Phone Banking and ATM Banking. Free Electronic Bill Payment Services and E-Remit services for remitting funds to the customers' home country. This is a unique service.”

According to Bangladesh Bank, “Implementing green banking policy will generate the following benefits for the banks: (1) increase goodwill or improve brand image by showing their commitment to save and protect the environment; (2) reduce giving loans to certain environmentally harmful projects; (3) check the necessary environmental due diligence factors before lending a loan/investment; (4) make efficient and effective use of resources and channel financing in an environment friendly manner; (5) introduce new technology in banking operations that would not only benefit our customers but also increase the productivity of our employees; (6) reduce carbon foot print in all branches and Head Offices of all banks; and (7) create awareness amongst the stakeholders about environmental and social responsibility enabling them to adopt environmental friendly business practices (Bangladesh Bank Green bank policy guideline).”

Bangladesh is already one of the most climate vulnerable countries. It will become even more vulnerable due to climate change and is expected to be one of the worst affected



countries due to climate change impacts. Banks/FIs in Bangladesh need to protect their financing from the risks arising out of the deteriorating environmental scenario and the climate change impacts. A baseline study on banks exposure to environmental risks in lending revealed that 98% of the bank's top management believed that environmental risks are being considered but their Business Development Officers did not consider environmental risk in their credit scoring in practice. This is a clear indication that there is a wide gap between perception and practice in the banks/FIs. The study also revealed the need for a streamlined formal and uniform approach

so that all FIs in Bangladesh move towards managing environmental risks in their operations. Failing to consider these environmental risks- as a part of financing decisions- will lead to an increase in Non-performing Loans (NPLs) for banks. Not only should the borrower meet regulatory requirements, but also should the borrower assure that these risks are being effectively managed. By managing these risks, these banks will also be making a useful and important contribution towards both local and global sustainable development.

### **3.2 Phases of green banking activities:**

#### **Phase-1:**

- Policy formulation and governance.
- Incorporation of environmental risk in customer relationship management.
- Initiating in-house environment management.
- Introducing Green Finance.
- Creation of Climate risk Fund.
- Introducing Green Marketing.
- Online Banking.
- Supporting employee training, consumer awareness and green event.
- Disclosure and reporting of green banking activities.

#### **Phase-2:**

- Sector specific environmental policies.
- Green strategic planning.

- Setting up green branches.
- Improved in-house environment management.
- Formulation of bank specific environmental risk management plan and guidelines.
- Rigorous programmes to educate clients.
- Disclosure and reporting of green banking activities.

### **Phase-3**

- Designing and introducing innovative products.
- Reporting in standard format with external verification.

## **3.3 Environmental risks:**

Environmental risk can be classified as follows:

### **1. Direct Risk:**

This risk can occur when a bank exercises operational control over a borrower's business or in some cases where a bank takes possession of contaminated land held as security. In such cases, the bank may not only lose its original advance, but may also be forced to meet substantial clean-up costs.

### **2. Indirect Risk:**

This risk incurred by the bank due to borrower's inability to repay because of environmental or climate change reasons. As Bangladesh strengthens enforcement of environmental regulations and public interest groups grow, pressure increases on business to minimize their environmental impacts. This may increase companies' capital and operating costs in order to comply with environmental regulations. This can have an effect on the borrower's cash flow and consequently in the borrower's ability to repay. Alternatively, climate change induced events, e.g. cyclones, may impact business activities that may result in affecting the borrower's ability to repay.

### **3. Reputation Risk:**

Reputation and image are important for the banks to conduct business. It is important to demonstrate that the bank acts responsibly at all times and this is particularly important when providing finance for major business activities. Not considering environmental

impacts arising from a borrower's operations can result in negative publicity for both the borrower and the bank. Reputation risk is present in financing transactions particularly where the Bank is considering a large exposure. The Bank's reputation can be damaged if there is a failure of the business activity due to environmental reasons. The Bank will be seen as engaging in irresponsible business practices that do not adequately address the environmental issues. Thus, the more responsibility the bank demonstrates, the less reputation risk it will face. Environmental risks can also be classified in the context of principal risk components of credit risks

#### **4. Business/Industry Risk:**

Changing environmental conditions and requirements may impact the borrower's capacity to meet the obligation to repay. This is an indirect risk.

#### **5. Management Risk:**

Poor management may result in closures and community protests that can adversely impact the business and the borrower's capacity to repay. This is an indirect risk.

#### **6. Security/Collateral Risk:**

Risk that the bank might be exposed due to poor quality of the security/collateral, e.g. contaminated land or disposal of hazardous chemicals, in case of a default. This is a direct risk.

#### **7. Legal Risk:**

This risk can take a number of different forms. Most obviously, FIs are at risk if they do not comply with relevant environmental legislation. More specifically, they are at risk of lender liability for clean-up costs or claims for damages if they take possession of property that contaminates or pollutes, as a result of realizing security. This is a direct risk.

## **8. Identifying Risks:**

At the time of identifying the financing, all environmental issues relevant to the proposed business activity needs to be determined. Of these, there may be some issues that can pose environmental risks. These need to be identified.

# Chapter: 4

**An Overview of Three Private Commercial Banks in Bangladesh:**

### **4.1.1 Social Islamic Bank Ltd:**



### **4.1.2 Vision of Social Islamic Bank Ltd :**

The main vision of Social Islamic Bank Ltd being “Working together for a caring society.” In Social Islamic Bank Ltd journey towards continuous excellence it is striving to become the Country’s leading Islamic Bank offering one-step service of a wide range of value added products and services meeting the needs of its customers conducting. The laws of Shariah while optimizing best utilization of the most modern state-of-the-art technological solutions. Through creation of a pro-active organizational culture based on sound team spirit, fairness, mutual understanding and pragmatic leadership always remain open to new ideas.

### **4.1.3 Mission of Social Islamic Bank Ltd:**

- Transformation into a service-oriented technology-driven profit earning Bank.
- Establishing three sector banking model.
- Balanced and sustainable growth strategy.

- Ensure fast, accurate and best-in-class customer service.
- Optimum return on shareholder's equity.
- Empowering real poor families and create local income opportunities.
- Providing support for social benefit organizations- by way of mobilizing Funds and social services.
- Attract and retain high quality human resources.

#### **4.1.4 Objective of Social Islamic Bank Ltd:**

- Transformation into a service-oriented technology-driven profit earning bank.
- Ensure fast, accurate and best-in-class customer services with customer's satisfaction.
- Balanced and sustainable growth strategy. Optimum return on shareholder's equity.
- Introducing innovative Islamic banking products.
- Providing support for social benefit organizations-by way of mobilizing funds and social services.

#### **4.1.5 Products and services:**

- Mudaraba Notice Deposit
- Mudaraba Monthly Profit Deposit Scheme
- ATM Service
- Al-Wadia Current Account
- Mudaraba Term Deposit
- Mudaraba Special Deposit Pension Scheme (5 Years)

- Mudaraba Savings Deposit
- Locker Service
- Mudaraba Home Saving Scheme
- Mudaraba Millinery Deposit Scheme
- Online Banking
- Mudaraba Scheme Deposit

#### 4.1.6 Board of Directors:

Major Dr. Md. Rezaul Haque (Retd)	Chairman
Mr. Md. Sayedur Rahman	Vice Chairman
Alhaj Sk. Mohammad Rabban Ali	Vice Chairman
Mr. Abdul Awal Patwary	Director
Mr. Md. Anisul Hoque	Director
Mr. Abdul Jabbar Mollah	Director
Mr. Md. Abdur Razzaque	Director
Mr. Md. Kamal Uddin	Director
Mr. Mohammad Amin Uddin	Director
Hakim Md. Yousuf Harun Bhuyan	Director
Mrs. Afia Begum	Director
Mr. Mohammad Nabi Ullah	Director
Dr. Lily Amin	Director
Mr. Md. Abdur Rahman	Independent Director
Mr. Abdul Mohit	Independent Director
Mr. Muinul Hasan	Independent Director
Mr. Ihsanul Aziz	Managing Director & CEO(cc)
Mr. Md. Humayun Kabir, FCS	Company Secretary



#### **4.1.7 Functions of Social Islamic Bank Ltd:**

- To give facilities to the client and shareholders in a systematic way.
- To identify consumer's demand and fulfill their demand by supplying money.
- Mobilization of idle resources of the country by accepting Deposits from the general public.
- Granting Loans and Advances to the individual firms and companies for activating and developing trade, commerce and industries and other productive activities in the country.
- Give encouragement to the people for savings.
- To increase investment.
- To make easy transfer of foreign currency.
- To assist capital market.
- To improve economy by borrowing financial facility.

#### 4.1.8 Core values of Social Islamic Bank Ltd:

Honesty	Efficiency	Accountability
Transparency	Flexibility	Innovation
Religiousness	Security	Technology

#### 4.1.9 Capital pattern of Social Islamic Bank Ltd:

In taka

Year	Declaration	No. of shares	Face value per share	Cumulative no. of shares	Value of issued capital for the year	Cumulative value of capital
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996		-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998		-	1,000	126,000	-	126,000,000
1999	Right share issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement initial public offer	50,000 10,000	-	250,000 260,000	50,000,000 10,000,000	250,000,000 260,000,000

2001	20% Bonus issue(Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus issue(Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus issue(Declared in the year 2004)	-	1,000	260,000	-	260,000,000
2004	Bonus issue (For the years 2001, 2002, 2003)	325,000	-	585,000	325,000,000	585,000,000
2005		-	-	585,000	-	585,000,000
2006		-	100	585,000	-	585,000,000

2007	1:1 Right share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,000	1,309,879,300
2009	10% Bonus Issue for the year 2008 1:1 Right share	1,309,879 12,508,587	100	14,408,672 26,917,259	130,987,900 1,250,858,700	1,440,867,200 2,691,725,900
2010	1:1% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010 1:1 Right share	41,829,420 298,781,575	10 10	340,610,995 39,392,570	418,294,200 2,987,815,750	3,406,109,950 6,393,925,700
2012	10.50% Cash Dividend for the year 2011	-	-	-	-	6,393,925,700
2013	10% Bonus Issue and 5% cash for the year 2012	63,748,994	10		637,489,940	7,031,415,640
2014	12% Cash Dividend for the year 2013	-	-		-	7,031,415,640

2015	18% Cash Dividend for the year 2014	703,141,564	10		-	7,031,415,640
2016	15% Cash dividend & 5% stock dividend for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420

#### 4.1.10 Pattern of Shareholder by holdings in 2016:

Share holding range	No. of shareholders as on (31.12.16)	No. of shares as on (31.12.16)	Percentage as on (31.12.16)	No. of share holders (31.12.15)	No. of shares (31.12.15)	Percentage as on (31.12.15)
Less than 500 shares	19,638	2,985,334	0.40%	23,309	3,637,503	0.52%
501-5000	23,684	39,974,893	5.41%	28,591	47,690,773	6.78%
5001-10000	2,314	16,232,133	2.21%	2,700	18,967,641	2.70%
10001-20000	1,149	15,516,283	2.10%	1,351	18,265,000	2.60%
20001-50000	613	18,339,859	2.48%	693	20,968,785	2.98%
50001-9999999999	491	645,250,140	87.40%	502	593,611,862	84.42%
<b>Total</b>	<b>47,889</b>	<b>738,298,642</b>	<b>100.00%</b>	<b>57,146</b>	<b>703,141,564</b>	<b>100.00%</b>

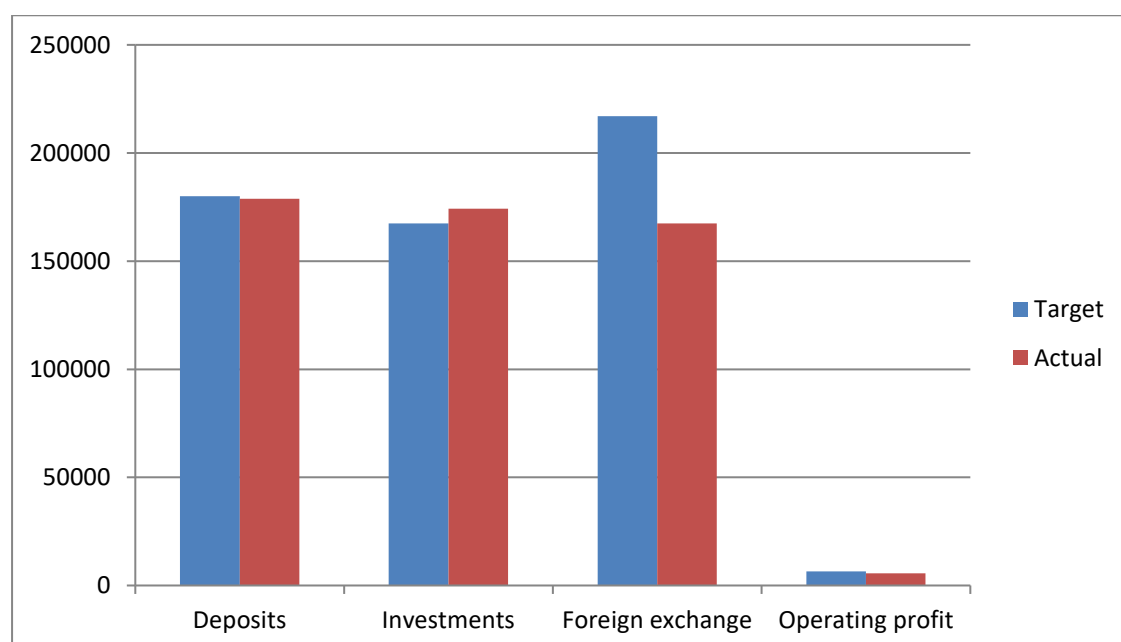
#### 4.1.11 Performance of the SIBL 2016:

Performance of the year 2016 has been conspicuous with a growth over the previous year recording achievements are:

**In million Taka**

Indicators	Target 2016	Actual-2016	Actual-2015	Achievement percentage	Growth %
Deposits	180,000.00	178,846.14	138,537.32	97.22%	29.10%
Investments	167,500.00	174,196.13	134,116.85	120.06%	29.88%
Foreign Exchange Business	217,000.00	167,382.30	149,186.70	77.13%	12.20%
Operating profit	6,500.00	5,698.08	4,849.82	87.66%	17.49%

#### 4.1.12 Graphical presentation: Performance of the SIBL 2016:



### 4.1.13 Social Islamic Bank Ltd at a Glance:

Fig. in million Taka

SL	Particulars	2012	2013	2014	2015	2016
01	Authorized Capital	10000.00	10000.00	10000.00	10000.00	10000.00
02	Paid-up Capital	6393.92	7031.42	7031.42	7031.42	7382.99
03	Total Shareholder Equity	10181.97	11083.43	12143.38	12950.32	14187.80
04	Capital Base (Tier I & II)	10596.51	11623.52	13078.26	16916.08	19195.04
05	Total Deposits	93594.29	102104.48	124535.01	149773.62	190564.52
06	Client Deposits	81091.39	95984.82	109040.63	138537.32	178846.14
07	Investments (General)	76024.97	85922.33	107899.96	134116.85	174196.13
08	Investments (Shares & Securities)	6144.01	8538.18	7823.73	9222.39	12310.58
09	Foreign Exchange Business	126519.90	132374.70	139910.11	149192.40	167382.30
10	Operating profit	3617.82	2924.55	3964.27	4849.82	5698.08
11	Profit before Tax	2747.89	2024.66	3307.52	3479.17	4192.19
12	Fixed Assets	2249.95	2653.88	2675.86	3072.04	3257.52
13	Total Assets	115165.95	126616.56	1537374.67	180112.11	227704.18
14	Stock Dividend	10.00%	0.00%	0.00%	5.00%	-
	Cash Dividend	5.00%	12.00%	18.00%	15.00%	20.00%
15	Investments as a % of total deposits	81.23%	84.15%	86.64%	89.54%	91.41%



16	Investments as a % of Client deposits	89.19%	86.78%	89.52%	88.52%	89.86%
17	Risk Weighted Capital Adequacy Ratio	11.52%	11.64%	11.36%	12.33%	11.55%
18	Ratio of Classify Investments to Total Investments	3.33%	5.35%	4.56%	3.84%	4.44%
19	No. of Foreign Correspondents	505	490	470	443	591
20	Number of Employees	1625	1802	1922	2130	2363
21	Number of Branches	86	94	100	111	125
22	Book Value per Share	10	10	10	10	10
23	Earnings per Share	2.25	1.74	2.71	2.81	3.10
24	Credit Rating by Long Term Short Term	*ECRL AA- ECRL-2	ECRL AA- ECRL-2	ECRL AA- ECRL-2	ECRL AA- ECRL-2	ECRL AA- ECRL-2

## 4.2.1 Dutch – Bangla Bank Limited



### 4.2.2 Mission of the DBBL:

Dutch-Bangla Bank engineers enterprise and creativity in business and industry with a commitment to social responsibility. **"Profits alone"** do not hold a central focus in the Bank's operation; because **"man does not live by bread and butter alone"**.

### 4.2.3 Vision of the DBBL:

Dutch-Bangla Bank dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. Dutch Bangla Bank Ltd's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development.

#### 4.2.4 Objective:

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that upholds and epitomizes its vaunted marquee "Your Trusted Partner".

- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To keep risk position at an acceptable range

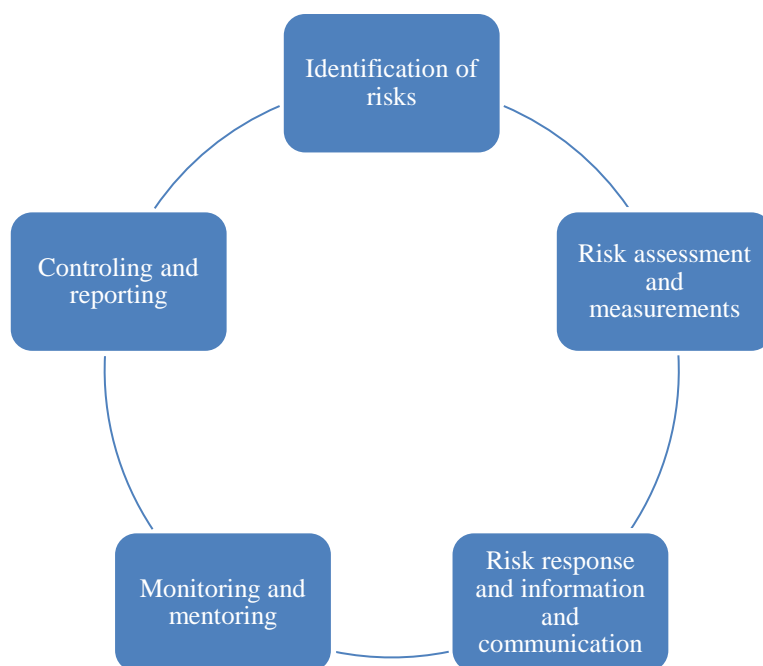
#### 4.2.5 Product and service of Dutch Bangla Bank Ltd:

Sl. No.	Deposits	Loans
01	Savings Deposit Account	Life Line (a complete series of personnel credit facility)
02	Current Deposit Account	Loan against Trust Receipt
03	Foreign Currency Deposit	Transport Loan
04	Short Term Deposit Account	Real Estate Loan
05	Resident Foreign Currency Deposit	Industrial Term Loan
06	Convertible Taka Account	Agricultural Term Loan
07	Non-Convertible Taka Account	Lease Finance
08	Short Term Deposit Account-Bank	FMO Local currency Loan for SME
09	Exporter's FC Deposit	FMO Foreign currency Loan
10	Short Term Deposit Account-Bank	Cash Credit (Hypothecation) Small Shop Financing Scheme
11		Overdraft

## Others digital product and service:

Sl. No.	ATM Service	Card Product	Internet Banking
01	Account balance enquiry	DBBL ATM Service	Account Summary
02	Cash withdrawal- 24 hours a day, 7 days a week, 365 days a year	DBBL-NEXUS Classic Card (debit)	Account Details
03	Cash deposit to a certain number of ATMs any time.	DBBL-NEXUS Maestro card (debit)	Account Activity
04	Mini statement printing.	DBBL-NEXUS VISA Electron card (debit)	Transfer Funds
05	Pin (personal identification number) change.	DBBL-NEXUS Silver OD card (credit)	Third Party Transfer
06	NEXUS Debit Card.	DBBL-NEXUS Gold OD card (credit)	Pay Bills
07	Maestro Debit Card.		Standing Instructions
08	DBBL Credit Card Ltd.		Open/Modify Term Deposit
09			Loan Repayments
10			Cheek Book Request
11			Stop Payment Cheek
12			Foreign Exchange Rate Inquiry
13			Change Password
14			Letter of Credit and etc.

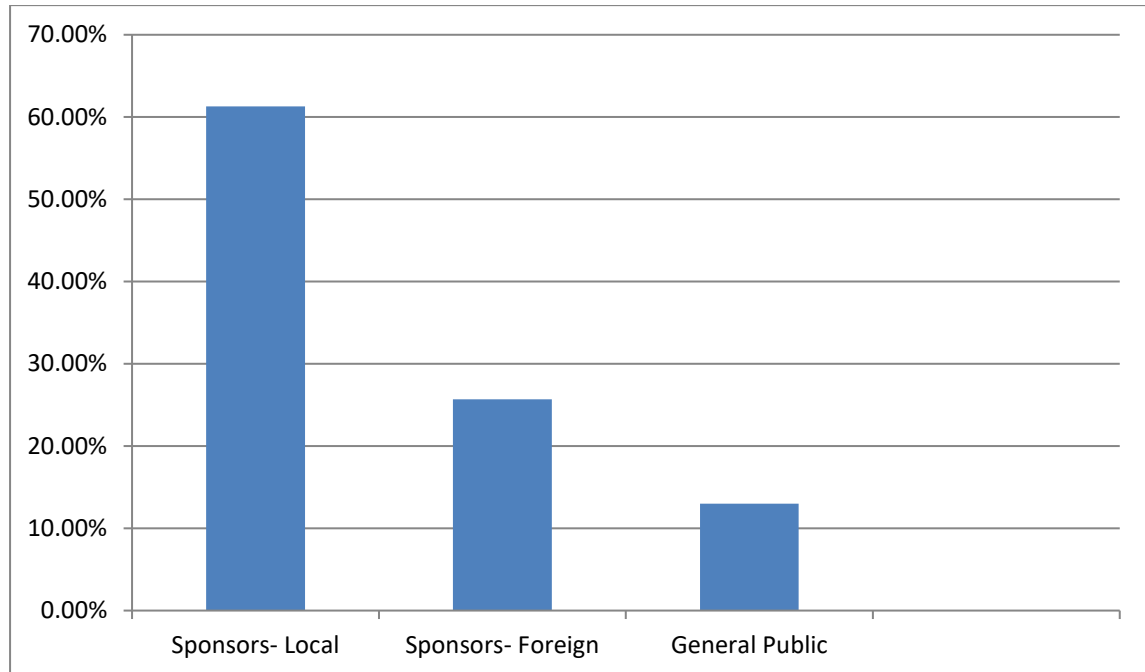
## 4.2.6 Risk Management of Dutch-Bangla Bank Ltd:



## 4.2.7 Shareholding position:

Particulars	Number of shares held as of 31 December		Percentage (%) of shares held as of 31 December	
	2016	2015	2016	2015
<b>Sponsors</b>				
Local	122,634,240	122,634,240	61.3%	61.3%
Foreign	51,348,900	51,348,900	25.7%	25.7%
<b>Total Sponsors</b>	<b>173,983,140</b>	<b>173,983,140</b>	<b>87.0%</b>	<b>87.0%</b>
<b>General Public</b>				
Institutions	14,081,595	12,826,328	7.0%	6.4%
Individuals	11,935,265	13,190,532	6.0%	6.6%
<b>Total General Public</b>	<b>26,016,860</b>	<b>26,016,860</b>	<b>13.0%</b>	<b>13.0%</b>
<b>Grand Total</b>	<b>200,000,000</b>	<b>200,000,000</b>	<b>100.0%</b>	<b>100.0%</b>

#### 4.2.8 Graphical Presentation: Shareholding position: 2016



#### 4.2.9 Financial Information:

Particulars	2016	2015	Growth rate	2014	2013	2012
<b>Result of operation (for the year)</b>						
Total revenue	21,613.3	21,849.0	-1.1%	20,741.8	20,050.6	18,213.1
Operating profit	5,521.8	6,433.9	-14.2%	5,324.4	4,583.6	5,205.6
Profit before taxation	3,234.0	6,267.3	-48.4%	4,518.8	3,547.0	4,817.1
Profit after taxation	1,762.6	3,020.3	-41.6%	2,206.6	2,000.8	2,314.1

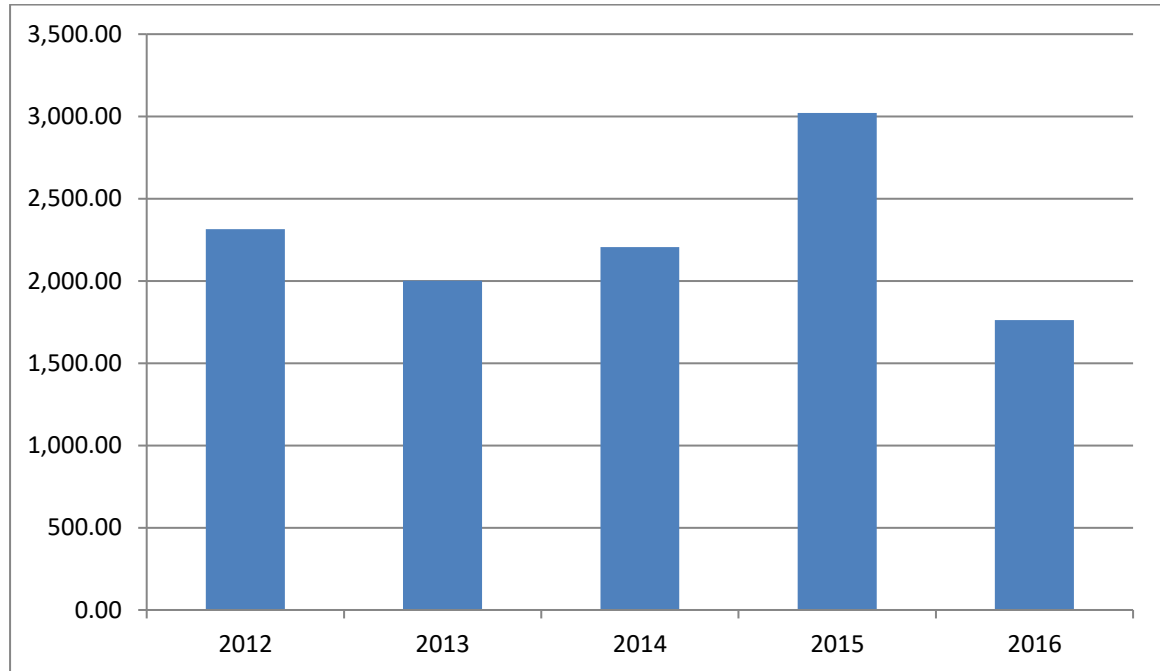
<b>Financial position (at year end)</b>						
Total assets	276,844.4	244,057.6	13.4%	215,993.5	185,537.4	155,918.6
Total risk weighted assets	162,165.3	154,548.6	4.9%	130,709.5	12,770.7	102,518.8
Total loans and advances	173,397.8	152,270.0	13.9%	124,423.0	106,422.8	91,648.9
Total deposits	207,234.0	186,765.0	11.0%	166,762.3	145,230.	125,433.1
Total import	134,768.1	135,047.1	-0.2%	123,391.9	108,259.3	104,306.1
Total export	134,166.5	129,954.5	3.2%	117,777.3	118,045.2	108,878.6
Total shareholders' fund	17,660.2	16,754.3	5.4%	14,517.4	12,641.7	10,854.5
Total capital	21,249.4	21,137.6	0.5%	18,077.9	15,403.4	12,284.0
Market capitalization	23,340.0	21,520.0	8.5%	21,160.0	20,940.0	22,850.0
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	<b>Deviation</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Per share (taka)</b>						
Earnings per share	8.8	15.1	(6.3)	11.0	10.0	11.6
Dividend per share						
Cash	3.0	4.0	(1.0)	4.0	4.0	4.0
Bonus	-	-	-	-	-	-
Net asset value (NAV) per share	88.3	83.8	4.5	72.6	63.2	54.3
Closing Market price per share	116.7	107.6	9.1	105.8	104.7	114.3
<b>Financial ratios (In</b>						

<b>Percentage)</b>						
Loan deposit ratio	83.7%	81.5%	2.1%	74.6%	73.3%	73.1%
Return on average total assets	0.7%	1.3%	-0.6%	1.1%	1.2%	1.7%
Return on average risk weighted assets	1.1%	2.1%	-1.0%	1.8%	1.9%	2.4%
Return on average shareholders' fund	10.2%	19.3%	-9.1%	16.2%	17.0%	23.4%
Ratio of non-performing loan to total loan	5.2%	3.7%	1.5%	4.4%	3.9%	3.0%
Capital adequacy ratio (Basel II)	13.1%	13.7%	-0.6%	13.8%	13.7%	12.0%
Cost-income ratio	65.3%	65.3%	6.6%	61.6%	63.9%	53.9%



#### 4.2.10 Graphical Presentation:

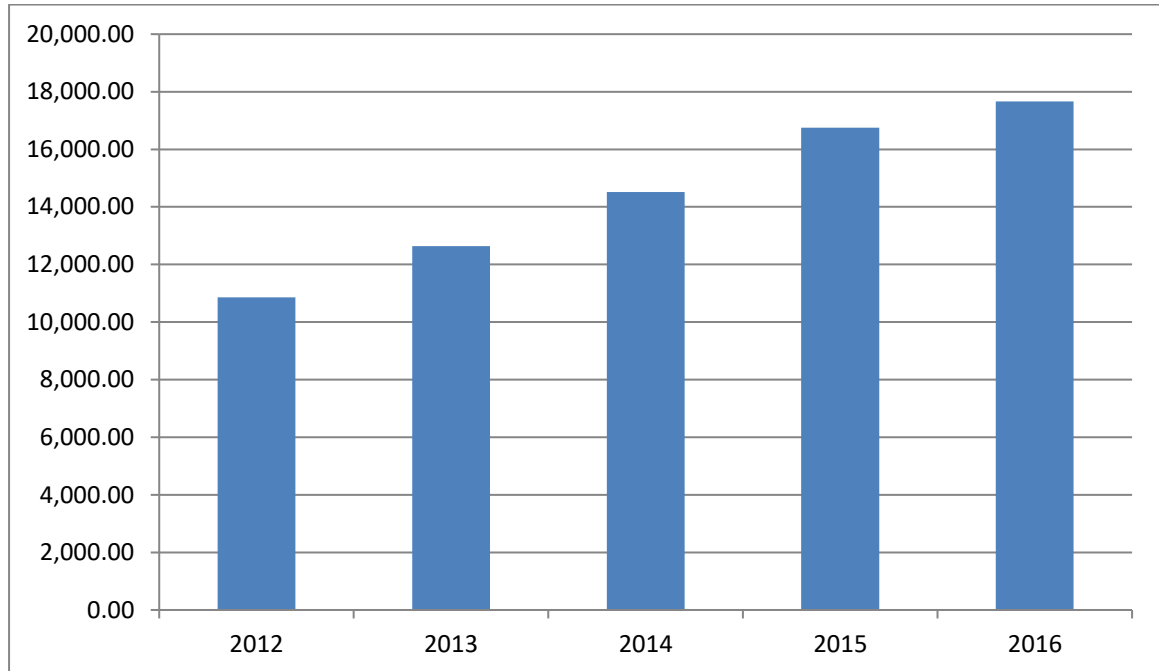
##### Net Profit after Tax (Taka In Million)



**Comments:** I see that the highest number of total net profit after tax was in 2015 (21,849.0) comparison with 2012 (2,314.1), 2014 (2,206.6), 2013 (2,000.8) and 2016 (1,762.6).

## Graphical Presentation:

### 4.2.11 Shareholders fund (Taka In Million)



**Comments:** I see that the highest number of total shareholders fund was in 2016 (17,660.2) comparison with 2015 (16,754.3), 2014 (14,517.4), 2013 (12,641.7) and 2010 (10854.5).

## 4.3 DHAKA BANK LIMITED



### 4.3.1 Vision of the DBL:

We draw our inspiration from the distant stars. Our vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments. Our people, products and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision - Excellence in Banking.

### **4.3.2 Mission of the DBL:**

The premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking.

- A dynamic and vibrant Board of Directors.
- A strong and resilient capital base.
- Forward looking strategies and management policies.
- Well-diversified line of business.
- Highly qualified team of management professionals.
- Deep focus on quality control.
- A good risk management and compliance culture.
- Dedicated line of human resources.
- Cutting-edge tools and technologies to support real time on-line banking.

### **4.3.3 Objectives of the Dhaka Bank.**

- Our objectives are to conduct transparent and high quality business operation based on market mechanism within the legal and social framework spelt in our mission and reacted in our vision.
- Our greatest concerns are our customers to provide them continually efficient, innovative and high quality products with excellent delivery system.
- We are committed to our community as a corporate citizen and contributing towards the progress of the nation as our corporate social responsibility.

#### **4.3.4 Product and Service of Dhaka Bank:**

- Deposit
  - Current Deposit Account
  - Savings Bank Account
  - Short Term Deposit
  - Fixed Deposit Receipt
  - Gift Cheque
  - Shopno Jatra Student Service
  - Students' Ledger-School
  - Students' Ledger-University
  - Honourable Seniors
  
- Under Scheme
  - Special Deposit Scheme
  - Deposit Double Scheme
  - Deposit Pension Scheme
  - Smart Plant
  - Education Savings Plan
  - Lakhopoti Deposit Scheme
  - Kotipoti Deposit Plan
  - Students' Ledger
  - Honorable Seniors
  
- Loan
  - Home loan
  - Car loan
  - Personal loan
  - Dual Currency Credit Card
  
- Funded Facility (Working Capital Product)

- Import Loan
- Demand Loan
- Overdraft
- Time Loan
- Local Documentary Bill Purchase
- Foreign Documentary Bill Purchase
- Term Loan (Normal/Amortized/Capitalized)

➤ Non Funded Facility

- Letter of Credit (Cash/Back to Back)
- Letter of Credit – Sight
- Usance / Deferred LC
- Structured LC/OBU
- Secured Overdraft
- Loan Against Imported Merchandise
- Loan Against Trust Receipt

➤ SME

- Overdraft
- Work Warden, Pay Order, and Share
- Secured Overdraft
- Term Product
- Short Term
- Mid-Term
- Long Term
- Festival Short Term

➤ Off –Shore Banking Unit

- Import Loan (Funded Short Term)
- Demand Loan (Funded Short Term)
- Term Loan (Funded Long Term)
- Guarantee (Non-Funded)
- Off-shore Cash LC Usance

- Off-shore Foreign Back to Back LC Sight
- Off-shore Foreign Back to Back LC Usance

➤ Services

- ATM Service
- Remittance Service
- Locker Service
- Online Banking
- Internet Banking
- M-Banking Solution
- Swift
- Student File
- Centralized Trade Service
- Travelers' Check

### 4.3.5 Results Summary DBL-2016:

Segmented Results of 2016	Dhaka Bank Ltd			Subsidiaries		Consolidated
	On-shore	Off-shore	Islamic banking	Dhaka bank securities Ltd	Dhaka bank investment Ltd	
Operating income	8,739	218	217	238	8	8,986
Operating profit	5,404	163	2	165	8	5,577
Assets	198,048	7,101	7,114	4,945	284	203,277
Liability	198,048	7,101	7,114	4,945	284	203,277

Shareholders' Value - Consolidated	2016	2015	Change
Earnings per Share (EPS)	2.26	2.42	(7%)
Price Earnings Ratio	7.92	8.14	(3%)
Dividend (%)	10% (cash) 5% (stock)	6% (cash) 10% (stock)	67% (50%)
Net Asset Value (NAV)	14,446	13,691	6%
NAV per Share	21.68	21.89	(1%)
Profitability & Performance Ratio – The Bank	2016	2015	Change
Return on Assets	0.77	0.86	(10%)
Return on Equity	10.15	10.74	(5%)
Return on investment	15.38	14.93	(4%)
Operating profit per employee	3.24	2.30	41%
Assets per Employee	121.22	115.72	4%
Balance Sheet Focus – The Bank	2016	2015	Change
Balance Sheet Size	202,192	176,362	15%
Shareholders' Equity	14,446	13,389	8%
Total Deposits	157,162	139,069	13%



Total Loans & Advances	134,689	117,840	14%
Classified Loans	5,403	5,491	(2%)
<b>Capital Adequacy – The Bank</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>
Tier-I Capital Ratio	8.62	8.58	0.5%
Capital to Risk Weighted Assets Ratio	13.67	10.46	31%
Total Eligible Capital	21,841	15,408	42%

## Financial Information:

### 4.3.6 Five years Financial Highlight

Particulars	2012	2013	2014	2015	2016	% change over 2015
<b>Income Statement:</b>						
Interest Income	13,229	15,131	13,705	12,135	13,166	8%
Interest Expense	10598	11,823	10,879	10,116	9,453	(7%)
Net Interest Income	2,630	3,308	2,826	2,018	3,713	84%
Investment Income	1,388	1,616	2,542	3,003	3,238	8%
Commission, Brokerage	1,084	1,093	1,127	1,316	1,517	15%
Operating Income	5,342	6,395	6,857	6,709	8,739	30%
Operating Expenses	2,119	2,701	3,049	3,205	3,336	4%
Operating profit(profit before provision and tax)	3,223	3,694	3,808	3,504	5,404	54%
Provision for Loans & Assets	1,784	650	587	1,128	2,656	135%
Profit Before tax	1,439	3,044	3,221	2,376	2,748	16%
Tax including Deferred Tax	738	1,117	1,192	938	1,282	37%
Profit after Tax	701	1,927	2,029	1,466	1,466	2%
<b>Balance Sheet</b>						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-Up Capital	4,668	5,414	5,685	6,254	6,879	10%
Shareholders' Equity	9,683	11,887	12,746	13,389	14,446	8%
Deposits	107,427	115,981	124,854	139,068	157,162	13%
Borrowings	5,696	3,649	9,414	10,635	11,297	6%
Loans & Advances	90,140	99,596	103,132	117,840	134,689	14%
Investments	18,404	18,757	19,699	20,799	21,306	2%
Fixed assets	1,879	2,518	3,958	4,100	4,194	2%
Earning Assets	110,159	117,624	124,462	144,962	165,096	14%

Total Assets	133,142	144,409	158,748	176,362	202,192	15%
Total Liabilities	1,23,458	1,32,521	1,46,002	162,974	187,746	15%
Total off-balance sheet items	45,265	45,468	48,675	52,255	72,926	40%
<b>Foreign Exchange Business</b>						
Import Business	76,648	73,360	79,774	76,060	101,909	34%
Export Business	48,928	54,212	60,435	69,590	88,050	27%
Inward Foreign Remittance	15,840	21,461	25,770	22,486	13,963	(38%)
Guarantee Business	9,591	9,926	10,731	15,284	27,466	80%
<b>Capital Measures</b>						
Risk Weighted Assets	117,412	117,693	137,842	147,343	159,790	8%
Core capital (Tier-I)	9,000	10,927	12,035	12,643	13,770	9%
Supplementary Capital (Tier-II)	3,606	3,410	3,403	2,765	8,072	192%
Total/Regulatory Capital	12,948	14,817	15,439	15,408	21,841	42%
Statutory Capital	8,239	9,595	10,510	11,554	12,729	10%
Capital to risk weighted asset ratio	10.74	12.18	11.20	10.46	13.67	31%
Tier-I capital ratio	7.67	9.28	8.73	8.58	8.62	0.5%
RWA to total assets	88%	81%	87%	84%	79%	(5%)
<b>Credit Quality</b>						
Volume of non-performing loans	5,656	4,137	5,657	5,657	5,491	(2%)
NPL to total loans and advances (%)	6.28	4.15	5.49	5.49	4.66	(14%)
Provision for unclassified loans	899	956	1,449	1,449	2,242	64%
Provision for classified loans	2,498	2,186	2,186	2,120	1,903	27%
<b>Share distribution</b>						
Earnings per share (TK)	1.50	3.56	3.57	2.30	2.13	(7%)
Number of shares outstanding	466.76	541.44	568.51	525.36	687.90	10%
Number of shareholders	44,445	46,840	41,797	32,798	28,388	(13%)
Net Asset Value (NPV) per share TK.	21.00	21.95	22.42	21.41	21.68	1%
Market price per share TK.	25.00	18.80	18.30	19.70	17.90	(9%)
Price earnings ratio	16.50	5.28	5.13	8.57	8.40	(2%)

Price equity ratio	1.20	0.86	0.82	0.92	0.83	(10%)
Dividend per share						
Cash dividend (%)	-	17%	14%	6%	10%	67%
Bonus share (%)	16%	5%	10%	10%	5%	(50%)
Dividend cover ratio	6.25	4.55	4.17	6.25	3.91	(37.44)
<b>Profitability &amp; Performance Ratio</b>						
Net Interest Margin(NIM)	4.10	4.32	4.44	4.02	4.58	14%
Credit to deposit ratio	83.91	84.22	81.26	84.74	83.87	(1%)
Gross profit ratio	24%	24%	28%	29%	30%	4%
Return on capital employed	12%	22%	22%	15%	13%	(16%)
Cost to income ratio	39.67	42.38	44.47	47.77	38.17	(20%)
Cost of fund	12.46	12.33	10.96	9.57	7.88	(18%)
Return on assets (ROA) %	0.59	1.39	1.34	0.86	0.77	(10%)
Return on equity (ROE)%	7.24	16.21	15.92	10.74	10.15	(5%)
Current ratio	2.57	3.18	2.66	2.65	2.51	(5%)
Cash reserve ratio (at the close of the year)	6.12	6.04	6.63	6.53	6.57	1%
Statutory liquidity ratio (at the close of the year)	19.11	21.53	17.64	17.14	14.27	(17%)
Operating profit per employee (MN)	2.22	2.55	2.53	2.30	3.24	41%
Operating profit per branch	45.40	49.91	47.01	40.28	57.49	43%
<b>Other Information</b>						
Number of branches	71	74	81	87	94	8%
Number of ATMs	46	46	47	53	54	2%
Number of ADMs	3	14	15	19	20	5%
Number of deposit accounts	291,452	382,786	407,929	419,620	435,152	4%
Number of loan accounts	21,811	20,093	18,801	19,924	25,566	28%
Number of employees	1,455	1,450	1,503	1,524	1,668	9%
Number of foreign correspondents/banks	425	550	565	563	542	(4%)

#### 4.3.7 Balance Sheet:

<b>Particulars</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>Property and Assets</b>		
<b>Cash</b>	<b>16,715,649,259</b>	<b>14,966,312,609</b>
Cash in hand	1,797,353,255	1,543,599,084
Balance with Bangladesh Bank and its agent banks	14,918,296,004	13,422,713,525
<b>Balance with other bank and financial institutions</b>	<b>11,170,526,692</b>	<b>10,180,026,192</b>
In Bangladesh	8,581,752,935	6,691,817,231
Outside Bangladesh	2,588,773,757	3,488,208,961
<b>Money at call on short notice</b>	<b>1,051,300,000</b>	<b>15,300,000</b>
<b>Investments</b>	<b>21,305,722,760</b>	<b>20,799,087,940</b>
Government	18,805,722,760	19,637,850,305
others	2,500,000,000	1,161,237,635
<b>Loans, advances and lease/investment</b>	<b>134,689,308,364</b>	<b>117,840,165,963</b>
Loans, cash credit, overdrafts etc	131,563,031,001	115,445,516,023
Bills purchased and discounted	3,126,277,363	2,394,649,940
<b>Fixed assets including premises, furniture and fixture</b>	<b>4,193,540,105</b>	<b>4,099,983,356</b>
<b>Other assets</b>	<b>13,042,382,648</b>	<b>8,438,430,047</b>
<b>Non-Banking Assets</b>	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>	<b><u>202,191,595,861</u></b>	<b><u>176,362,472,141</u></b>
<b>Liabilities &amp; Capital</b>		
<b>Borrowings from other banks, Financial Institutions and Agents</b>	<b>11,296,873,150</b>	<b>10,634,730,420</b>
<b>Deposits and other Accounts</b>	<b>157,161,630,521</b>	<b>139,068,899,318</b>
Current account and other account	21,093,467,455	15,782,686,124
Bills payable	2,047,637,778	1,267,436,384
Savings bank deposits	16,735,239,732	15,041,681,604

Term deposits	117,285,285,556	106,977,095,206
<b>Non convertible subordinated bond</b>	<b>3,800,000,000</b>	<b>1,400,000,000</b>
<b>Other liabilities</b>	<b>15,487,366,332</b>	<b>11,870,171,137</b>
<b>Total liabilities</b>	<b>187,745,870,003</b>	<b>162,973,800,875</b>
<b>Capital/shareholders' Equity</b>		
<b>Total shareholders' equity</b>	<b>14,445,725,858</b>	<b>13,388,671,265</b>
Paid-up capital	6,879,006,860	6,253,642,600
Statutory reserve	5,850,338,779	5,300,741,818
Other reserve	774,110,946	871,896,065
Retained earnings	942,269,273	962,390,782
<b>Total Liabilities &amp; shareholders' Equity</b>	<b><u>202,191,595,861</u></b>	<b><u>176,362,472,141</u></b>
<b>Off Balance Sheet Items</b>		
<b>Contingent liabilities</b>	<b>72926,401,097</b>	<b>52,254,802,031</b>
Acceptances and endorsements	25,263,660,677	14,225,611,128
Letter of credit	17,447,623,500	14,238,167,995
Letter of guarantee	19,928,711,771	14,194,068,714
Bills for collection	8,250,158,750	7,608,526,452
Other contingent liabilities	2,036,246,400	1,988,427,743
<b>Other commitments</b>	-	-
Documentary credit and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total off-balance sheet items including contingent liabilities</b>	<b><u>72,926,401,097</u></b>	<b><u>52,254,802,031</u></b>

#### 4.3.8 Profit and loss account:

Particulars	2016 (TK)	2015 (TK)
<b>Operating Income</b>		
Interest income/profit on investment	13,165,602,608	12,135,286,236
Interest paid/profit on deposits and borrowings, etc.	(9,452,611,371)	(10,116,296,447)
<b>Net interest income</b>	<b>3,712,991,237</b>	<b>2,018,989,789</b>
Investment income	3,238,231,845	3,003,455,981
Commission, exchange and brokerage	1,517,376,553	1,316,145,294
Other operating income	270,819,482	370,836,561
	<b>5,026,427,880</b>	<b>4,690,437,836</b>
<b>Total operating income (a)</b>	<b>8,739,419,116</b>	<b>6,709,427,625</b>
<b>Operating Expenses</b>		
Salary and allowances	1,711,533,723	1,636,454,240
Rent, taxes, insurance, electricity, etc.	508,410,393	459,716,648
Legal expenses	17,395,303	10,263,756
Postage, stamps, telecommunication, etc.	40,064,088	49,624,780
Stationary, printing, advertisement, etc.	148,276,067	201,302,778
Chief executive's salary and fees	12,890,167	10,422,334
Directors' fees	3,700,186	3,556,195
Auditor' fees	1,380,000	1,265,000
Depreciation and repairs of bank's assets	337,001,950	298,178,696
Other expenses	555,116,746	534,410,087
<b>Total operating expenses (b)</b>	<b>3,335,768,622</b>	<b>3,205,194,514</b>
<b>Profit before provision (c+=(a-b))</b>	<b>5,403,650,494</b>	<b>3,504,233,111</b>
Provision against loans and advances	2,444,517,209	1,095,173,902
Provision against good borrower	8,200,000	1,254,000
Provision for diminution in value of investments	-	4,075,897
Other provisions	202,948,481	27,738,300

<b>Total provision (d)</b>	<b>2,655,665,690</b>	<b>1,128,242,099</b>
<b>Profit before taxation (c-d)</b>	<b>2,747,984,804</b>	<b>2,375,991,012</b>
Provision for taxation	1,282,056,770	938,402,032
Current tax	1,314,967,979	934,833,819
Deferred tax income	(32,911,209)	3,568,213
<b>Net profit after taxation</b>	<b><u>1,465,928,034</u></b>	<b><u>1,437,588,980</u></b>
<b>Profit available for distribution</b>		
<b>Appropriations</b>		
Statutory reserve	549,596,961	475,198,202
General reserve	(38,192,034)	-
Dividends etc.	1,000,582,816	1,364,431,110
Retained earnings	942,269,273	962,390,782
	<b><u>2,454,257,016</u></b>	<b><u>2,802,020,094</u></b>
<b>Earnings per Share (EPS)</b>	<b>2.13</b>	<b>2.09</b>



#### 4.3.9 Cash Flow Statement:

Particulars	2016 (Taka)	2015 (Taka)
<b>Cash Flow From Operating Activities</b>		
Interest/ profit receipts	15,334,485,309	14,709,915,483
Interest/profit payments	(9,420,147,575)	(10,185,223,161)
Dividend receipts	14,750,000	17,224,307
Recovery of loans previously written off	50,461,881	-
Fee and commission receipts	1,075,091,210	848,851,082
Payments to employees	(1,724,423,890)	(1,636,454,240)
Payments to suppliers	(207,115,457)	(262,456,314)
Income tax paid	(725,025,033)	(1,126,541,634)
Receipts from other operating activities	369,640,943	465,150,348
Payments for other operating activities	(1,154,772,936)	(1,092,764,963)
<b>(i) operating profit before changes in operating asset &amp; liabilities</b>	<b>3,612,944,452</b>	<b>1,737,700,908</b>
<b>Changes in operating assets and liabilities</b>		
Purchase/sale of trading securities	6,103,104,253	(253,527,813)
Loans and advances to customers	(16,849,142,401)	(14,708,646,689)
Other assets	(3,812,918,811)	880,562,594
Deposits from other banks	(1,273,265,661)	4,829,331,120
Deposits from customers	19,365,996,863	9,386,008,863
Other liabilities account of customers	22,681,744	(40,640,900)
Other liabilities	(453,614,536)	1,337,285,264
<b>(ii) Cash flow from operating assets and liabilities</b>	<b>3,102,841,453</b>	<b>1,430,372,440</b>
<b>Net cash flow from operating activities (a)=(I+ii)</b>	<b>6,715,785,904</b>	<b>3,168,073,347</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of securities	988,590,387	404,528,325
Sale/purchase of securities	(6,643,932,858)	(844,313,107)

Purchase of property, plant & equipment	(315,573,767)	(331,703,774)
Proceeds from sale of fixed assets	4,018,467	12,300
Purchase/ sale of subsidiary	-	-
<b>Net cash used in investing activities (b)</b>	<b>(5,966,897,771)</b>	<b>(771,476,256)</b>
<b>Cash Flow from Financing Activities</b>		
Borrowing from other bank	662,142,729	1,220,045,361
Issuance of Non convertible subordinated bond	3,000,000,000	-
Redemption of non convertible subordinated bond	(600,000,000)	(600,000,000)
<b>Dividends paid</b>	<b>(375,218,556)</b>	<b>(795,918,150)</b>
<b>Net cash flow from financing activities (c)</b>	<b>2,686,924,173</b>	<b>(175,872,788)</b>
<b>Net increase in cash and cash equivalents (a+=b+c)</b>	<b>3,435,812,606</b>	<b>2,220,724,603</b>
Add: Effects of exchange rate changes on cash & cash equivalent	339,485,944	372,968,125
Add: cash and cash equivalents at beginning of the year	25,166,262,501	22,572,570,073
<b>Cash and cash equivalents at end of the year(*)</b>	<b><u>28,941,560,751</u></b>	<b><u>25,166,262,501</u></b>
<b>(*) Cash and cash equivalents</b>		
Cash in hand	1,797,353,255	1,543,599,084
Balance with Bangladesh bank & Sonali bank	14,918,296,004	13,422,713,525
Balance with other banks & financial Institutions	11,170,526,692	10,180,026,192
Money at call & short notice	1,051,300,000	15,300,000
Prize bond	4,084,800	4,623,700
	<b><u>28,941,560,751</u></b>	<b><u>25,166,262,501</u></b>

# Chapter: 5

## **An Overview of Green Banking**

## **5.1 Introduction:**

Green banking means promoting environmental friendly practices and reducing carbon footprint from banking activities. Green environment is one of the most important issues in today's world where people from all over the world are raising their voice against environment pollution. These issues, mostly caused by human activities, are not only affecting our economy and our living standards, but our very existence is dependent on the efficient management of these issues. Green Banking is the operation of the financial sector with special focus on the environmental, ecological and social factors, targeting conservation of nature and natural resources. The term broadly encompasses awareness creation and promotion of environment and society friendly projects and practices, and reduction of overall carbon footprint from both its financing and in-house operations. Through Green Banking, the FIs are not only required to improve their own standards, but also play an active role in demanding the same from its stakeholders.

Governments in all over the world are working on a balanced development where the country will be able to develop its economy without negative consequence on the environment. Government has developed different framework and strategies to find out the best possible solution in order to protect the country as well as the global environment. Bangladesh as a part of the global family is considered as the most vulnerable country and would be one of the most severely affected countries for the consequence of environment pollution. Bangladesh as a part of united nation is also working on its internal environmental pollution.

Bangladesh Bank issued a circular in February 27, 2011 on Policy Guidelines for Green Banking and stated that "to adopt a comprehensive Green banking policy in a formal and structured manner in line with the global norms so as to protect environment degradation and ensure sustainable banking practices". In line with the instructions of Bangladesh Bank, all banks have taken initiatives to formulate its Green banking policy with an aim to inculcate practices towards optimum usage of natural resources and make every effort for environmental friendly activities.

Green banking thus involves a two pronged approach. Firstly, green banking focuses on the green transformation of internal operations of all banks. It means all the banks should

adopt appropriate ways of utilizing renewable energy, automation and other measures to minimize carbon footprint from banking activities. Secondly, all banks should adopt environmentally responsible financing; weighting up environmental risks of project, before making financing decisions; and in particular supporting and fostering growth of upcoming „green“ initiatives and projects.

## **5.2 Define of Green Bank:**

A green bank is a public or quasi-public financing institution that provides low-cost, long-term financing support to clean, low-carbon projects by leveraging public funds through the use of various financial mechanisms to attract private investment so that each public dollar supports multiple dollars of private investment.

## **5.3 Common characteristics and structures:**

Depending on the state, a green bank may conform to a variety of structures, utilize many different public funds, and create a diverse array of financial products. Banks may utilize financial tools such as long-term and low interest rate loans, revolving loan funds, insurance products (such as loan guarantees or loan-loss reserves), and low-cost public investments or it may design new financial products. Ultimately, however, all green banks will exhibit several common characteristics:

- Stimulate demand by covering 100% of the upfront costs with a mixture of public and private financing;
- Leverage public funds by attracting much greater private investment to clean energy and efficiency markets;
- Recycle public capital so as to expand green investment and leave taxpayers unharmed;

- Reduce market inefficiencies; and
- Scale out clean energy solutions as fast as possible, maximizing clean electricity and efficiency gains per state dollar.

Green banks will seek to achieve several goals, including increased deployment of clean energy, more efficient use of public funds, and animation of mature private financial markets for clean energy investing. In Connecticut, CEFIA determined that its primary goal, or “objective function” would be to “maximize the amount of clean energy produced (or energy saved) per dollar of public funds at risk.” Green banks will seek to promote cheaper, cleaner, and more reliable energy.

A green bank can receive its initial funding from several public sources. In both Connecticut and New York, existing state funds (systems benefit charges) were repurposed and Regional Greenhouse Gas Initiative (RGGI) funds also provided initial capital for the green bank. Alternatively, as was done in Hawaii, the state can issue bonds to private investors. Green banks can also receive money from cap and trade auction revenues and private foundations, depending on the state and legal structure established when the green bank is created. New state budget appropriation is rarely advised, unless it appears clearly feasible in a particular state.

## 5.4 Green Banking Steps:

It is found from several studies that going green through green banking it needs to be Maintained the following sequences in the banking system:



## 5.5 Global warming:

Carbon dioxide accumulates in the atmosphere forming a thick layer which traps the sun and causes the earth's warming. Environmental pollution and climate change leading to global warming are one of the three most discussed issues worldwide. These issues, mostly caused by human activities, are not only affecting our economy and our living standards, but our very existence is dependent on the efficient management of these issues. The main source of carbon dioxide according to the Intergovernmental Panel on Climate Change is the burning of coal, gas and oil to generate energy with 26% of the emissions, followed by the burning of fossil fuels by the industrial sector with 19% of the emissions and desertification and land use change with 17% of the emissions. The geographic location of Bangladesh makes it one of the most climate vulnerable regions of

the world. Lack of awareness, environmental education, compliance and negligence on the part of the business and the mass people are also resulting in fast deterioration of the environment. This situation can only be improved through coordinated efforts from the government, private sector, and individuals

## **5.6 Effects of Global warming:**

### **➤ Allergies and climate change**

- Many people currently have asthma.
- Many people die from asthma each year.
- Rising level of ragweed pollen.
- Increased temperatures with urbanization.
- Warming increases ozone which is an asthma irritant.
- Early pollination and longer growing season. Records indicate that warming will make allergies worse.

### **➤ Climate change will impact animals**

- Animals move out of their accustomed habitats, may not have safe areas to live.
- Rainforests dry up.
- Cool mountains in tropical zones heat up.
- 1/3 of Earth species could be at risk for extinction.
- Animals must be able to move to safe areas.
- Animal's reserves may become invaluable.

### **➤ Climate change make us sicker**

- Death from heat waves, tropical disease, worsened water-borne disease, this concern that doctors and scientists have about human health as a result of climate change.



- The pillars of public health are Water, sanitation, air quality, sufficient food.
- Heat will make water and food scarce and sanitation and air quality will get worse.
- Rainfall affect human health by severe rainstorms carries an increased risk of water-borne diseases.
- Climate change will affect malaria by heat, mosquitoes range will extend, bringing malaria.

➤ **Climate change and fires**

- Fires increase in frequency and intensity.
- The future hold for the number of fire “extreme danger” days.
- Rising temperatures lead to more fires worldwide by extreme heat waves and drought.

➤ **Climate change and food supply**

- Global warming effects storm patterns, increases desert areas and raises sea levels. Warmer weather does not.
- Effect has major heat waves had on agriculture in the past.
- Food prices go up as crop yields get lowe

➤ **Global warming and forests**

- This affect the pinion tree population by 10% of the trees died in a milder drought.
- Effect does an increase in temperature have on tree mortality when more trees die in warmer weather and drought.
- Warmer temperatures have the potential to kill forests.
- More CO2 means warmer temperatures and maybe drier weather.

## **5.7 Social Islamic Bank Ltd.**

### **5.7.1 Green Banking Investment Plan for 2016:**

SIBL has planned to reach investment portfolio to Tk. 210000.00 Million starting from Taka 174,195.94 million only. To achieve the target SIBL is looking for the country's top business tiers to boost the growth of the bank. Segment of these groups are Ready Made Garments (RMG), Textiles, Footwear, other wearing apparel & made up Textiles, Pharmaceuticals, NBFI, MNCs. Besides, SIBL is more focusing on investment to Retail, Card & SME Sectors. Investment Risk Management Division (IRMD), Trade Finance & RMG Division, SME & Agricultural Finance Division, Retail Investment Department under IRMD and Investment Administration Division (IAD) are ready to give a big push to boost up to such companies and individuals to support the branches.

The plan has been formulated keeping in view the national economic priorities and aiming at diversification of the investment portfolio by size, sector, geographical area, economic purpose and securities to bring in phases all sectors of the economy and all types of economic activities and different economic strata of the society within the fold of Bank's investment operations.

### **5.7.2 Green Banking Activities:**

Sustainable Banking refers to adopting environmentally responsible financing, weighing up environmental risks of projects before making financial decisions, financing spontaneously to various social development activities and supporting & fostering growth of upcoming green initiatives & projects. Sustainable Banking can also promote environmental friendly in-house practices within the Bank to reduce carbon footprint from its banking activities which is an ethical approach in banking practice as well

### 5.7.3 Green Banking of SIBL:

Green Banking is an emerging issue in the present banking arena. Green Banking is a holistic approach, which encourages environmental protection, sustainability, resource-savings and economic attitude in personal and professional life among others. Bangladesh Bank is emphasizing much on environment and environment friendly project.

Green Banking issues are properly addressed at SIBL as per guidelines of Bangladesh Bank. Bangladesh Bank vide BRPD Circular no. 02 dated 27.02.2011 advised all banks to start Green Banking activities comprising a set of initiatives in 03 (three) phases with specific time frame.

Green banking is fast gaining momentum in Bangladesh since its official inception in the second-half of 2011. During short span of time, several policy interventions were taken by Bangladesh Bank (BB) for accelerating green growth of the country. Green Development and Inclusive Growth – are at the focal points in Green Banking.

### 5.7.4 Green Banking Achievement of Social Islamic Bank Ltd:

Name	Achievement
Formation of Green Banking Unit	Green Banking Unit has been restructured for smooth functioning of Green Banking activities
Circulation of environment due diligence (EDD)	Environment Due Diligence (EDD) checklist is being incorporated in investment Risk Management vide instruction Circular no. 2011/23 dated May 23, 2011
Circulation of Environment Risk Rating (ERR)	Environment Risk Rating (ERR) is being done as per instruction Circular no. 2011/23 dated May 23, 2011
Circulation of Green Office Guide	Green Office Guide checklist is being monitored as instruction Circular no. 2011/29 dated

	December 29, 2011
Formation of Green Banking Policy	Green Banking Policy of SIBL has been approved by the Board of Directors of the Bank in its 267th meeting (emergency) held on 29.12.2011
Some Green Event	<p>Green Banking has been focused in the Annual Calendar, 2013. Such endeavor has widely been accepted and applauded.</p> <ul style="list-style-type: none"> <li>• SIBL has made donation of Tk.2.00 lac for making a Guava Garden of Public Order Management (POM) Unit of Dhaka Metropolitan Police (DMP) at Mirpur Dhaka.</li> <li>• E-Circular system has been introduced</li> <li>• E-Newsletter has been introduced replacing paper book.</li> <li>• Solar panel installed in some branches.</li> </ul>

### 5.7.5 Green Banking performance of SIBL:

During the year under review, SIBL disbursed a total sum of year 2016 Taka 19,824.23 million towards Green Banking Investment Account whereas in the year 2015 total disbursement was Taka 8,977.34 million that shows 55.31% growth.

Particulars	Year 2016		Year 2015	
	Disbursement	Outstanding	Disbursement	Outstanding
ETP	-	-	-	-
Finance for Installation of ETP	272.14	107.72	180.29	87.87
Projects financed having ETP	17,215.67	2,552.25	5,568.09	495.07
Bio-gas plant	0.66	0.49	0.40	0.49
Solar Panel/Renewable Energy Plant	35.10	12.85	28.57	0.00
Hybrid Hoffman Kiln	313.69	73.35	82.42	43.23
Projects financed in brick fields having zigzag & Improved technology	353.90	193.99	2,936.75	893.99
Hazardous waste treatment facility	-	-	103.06	9.54
Plastic Waste Recycling plant (PVC,PP,LDPE,HDPE, PS)	14.14	6.80	77.76	6.80
Others (Please specify)	1,318.93	804.16	0.00	0.00
Total	19,824.23	3,751.61	8,977.34	1,536.99

### 5.7.6 Green Banking Initiatives:

<b>Green Banking Initiatives</b>	<b>Year 2016</b>	<b>Year 2015</b>
ATM (number)	1,906	1,624
No. of Own ATM	66	36
No. of Shared ATM	1,840	1,588
Online Banking	-	-
No. of Total Branches	125	111
No. of Branches with online coverage	125	111
Internet Banking	-	-
No. of Accounts facilitated with Internet Banking	3,129	2,382
Percent of Accounts facilitated with Internet Banking	0.32%	0.29%
Mobile / SMS Banking	-	-
No. of Accounts facilitated with Mobile/SMS Banking	120,498	68,464
Percent of Accounts facilitated with Mobile/SMS Banking	12.19%	8.32%
No. of Training Programs, Seminars /Workshops, Awareness Programs exclusively conducted for Green Banking	10	5
Employees	508	80
Customers	-	-

## **5.8 Dutch-Bangla Bank Ltd.**

### **5.8.1 Green development of Dutch- Bangla Bank Ltd.**

The concept of 'Green Banking' originates in modern banking approaches. The concept has actually been derived from ethical banking which seeks to mitigate the hazards of climate change due to global warming. Climate change has direct impact on biodiversity, agriculture, forestry, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that businesses also take responsibility of safeguarding the planet. Green finance as a part of green banking can make great contribution to the transition to resource-efficient and low-carbon industries i.e. green industry and green economy in general.

Green banking is a component of the global initiative by a group of stakeholders to save the environment. The environment in Bangladesh is rapidly deteriorating. The key areas of environmental degradation are: air pollution; water pollution and scarcity; encroachment of rivers; improper disposal of industrial, medical and house-hold waste; deforestation; loss of open space, and loss of biodiversity. In addition, Bangladesh is one of the most climate-vulnerable countries. In line with global development and response to environmental degradation, the financial sector, as one of the key stakeholders in society, should play its due role

### **5.8.2 Green Opportunities:**

Green Banking movements indicate that less paper is good for the environment where customers make paperless deposits, withdrawals and remittances. The opportunities of green banking are given below:

#### **➤ Paper reduce**

- Fewer letters to open (call or email rather than writing).
- No paper statements (electronic delivery of statements via Internet Banking)
- No paper-based marketing.

- No check book or paying-in book for your current account.
- Saving Energy Consumption.

➤ **Paper reuse**

- Use all writing papers on both sides.
- Build up awareness for reducing wastage by way of reusing the same.

➤ **Paper recycle**

- The Bank can concentrate on nature and environment by projects in the field of renewable energy (wind energy & hydroelectric projects), organic agriculture across the entire value chain including health food shops and environment technology such as recycling companies and nature conservation projects. In each case, the green asset is a lower risk to the bank and therefore, a more desirable investment.
- Clean electricity generation projects such as wind, solar, biomass, geothermal or small hydro, Green real estate projects.
- Pollution or emissions mitigation projects such as landfill methane capture projects, which generate tradable carbon credits.
- Choosing to invest in cleaner energy projects is a choice to invest in lower regulatory risk assets in a growing market segment.

### **5.8.3 Dutch Bangla Bank Ltd green steps:**

Dutch Bangla Bank Ltd. believes that Green Banks or environmentally responsible banks do not only improve their own standards but also affect socially responsible behavior of other businesses. In light with Banking Regulations & Policy Department, Bangladesh Bank vide their Circular No.02 dated February 27, 2012, DBBL has outlined a detail policy guidelines for implementing Green Banking activities under a comprehensive Green Banking Policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices.



#### **5.8.4 In-house Green Management:**

DBBL, since its inception, has been maintaining a balanced initiative and supporting activity to contain things that may adversely effect environment and contribute to pollution. The 3R thumb rule drives us towards Reuse, Reduce and Recycle in our daily activities in order to arrest emissions from carbon footprint, a few of which mentioned below:

- Soft archival of customer documents for electronic access and retrieval is enabling us to reduce consumption of paper.
- Majority of internal memos, process notes and records are in electronic form.
- Customer communications are being done through emails, SMS or ATM display instead of letter communication (except for regulatory requirements).
- IP phone with video conferencing system has been introduced for telecommunication between the officials of the Bank.
- Solar energy has been used to power 50 ATM booths/Fast Tracks and 9 Branches (partially) in the country.

#### **5.8.5 Fund Allocation for Climate change Risks:**

The Management allocated budget for Tk.5.00 million as Climate Risk Fund for help/rehabilitation of the ejected people in the country due to natural disasters like flood, cyclone, drought etc. for climate change. DBBL has, however, donated Tk.7.50 million for rehabilitation of the flood ejected peoples in the country during the year 2016 which is a part of CSR activity against climate change.

#### **5.8.6 Finance made in environmentally complied industries:**

DBBL has continued financing a significant amount as Direct Green Finance like installation of Efluent Treatment Plant (ETP) from its own sources. So far, we have financed several projects like ETP, Solar, Automatic Brick Manufacturing industry such as Tunnel Kiln, Zig-Zag etc. We have already obtained reference from Bangladesh Bank

for financing ETP and Solar panel project. Some of the factories that we have financed maintain environmentally friendly procedures such as handling waste in a safe manner in hospital, hot water heat recovery system in Textile/RMG, converting noncompliance factory into environmentally complied factory as per observation of accord alliance and so on. Power generation projects financed by DBBL submitted their environmental monitoring compliance report to World Bank through Bangladesh Bank IPFF cell.

### **5.8.7 Financing 10 (Ten) Taka account holders:**

Bangladesh Bank has built a Revolving Refinance Fund of Tk.200.00 core for the purpose of facilitating landless/ small/marginal/victim of natural disaster/low income group of the country having account of Tk.10 (Taka ten) only through extending credit facilities specifically in the income generating activities at easier terms and conditions. DBBL has completed the Participation Agreement with Bangladesh Bank in 2014 and made finance to deferent borrowers through MFI linkage. DBBL has so far obtained refinance from Bangladesh Bank against financing in favor of 187 individual clients of which 146 refinances are obtained in the year 2016. We have also obtained refinance from Bangladesh Bank against financing through 2 MFIs

### **5.8.8 Online banking facilities:**

DBBL maintains the largest on-line banking network supported with state-of-the-art technological innovations and extensively using its on-line facilities which has meantime received an extreme recognition in the country. It has brought user-friendly technologies for the masses, offering variety of product supports at a minimum cost and fostering fastest customer services through its professional expertise. It has reduced cost burden, ensured speedy transactions, one point banking support and familiarizing clients with Internet supporting activities. The practice of electronic mail for internal communications has also been our regular practice

### **5.8.9 Mobile Banking (Rocket):**

DBBL mobile banking is renamed as “ROCKET”. It is the 2nd largest mobile banking system in Bangladesh. Mobile Banking facilities bring a huge number of unbanked people of the country under banking arrangement. It is in a true sense of paperless banking. Mobile Banking is a Banking process without bank branch which provides financial services such as cash-in, cash out, merchant payment, utility payment, salary disbursement, foreign remittance, government allowance disbursement, ATM money withdrawal through mobile technology etc. all over the country at an affordable cost

### **5.8.10 E-Payment Gateway facilities:**

DBBL is the first bank in Bangladesh to introduce e-payment gateway. Now it is easier to purchase online, pay utility bills, tuition fee etc. without having an account and paper notes. By this electronic media we do not need

### 5.8.11 Annual Disclosure for the year ended 2016

Taka in million

Items	Beginning of the year	End of the year	Total in 2016	Remarks
Direct & Indirect Green Finance	10,868.71	8,794.17	32,815.62	Donation made for flood effected peoples in August 2016.
Utilization of climate risk funds	-	7.50	7.50	
Expense related with marketing, Training & capacity building	0.12	-	0.17	
No. of Branches	155	10	165	
Consumptions: paper & Stationary: Water: Electricity consumption: Fuel:	30.76 1.62 57.54 12.38	50.78 1.69 70.40 11.34		Consumption increased due to opening of 10 new branches in last quarter.
ATM powered by solar energy	-	-	50 NOS	
Branches partially	-	-	9 NOS	
Environmental risk rating	994 clients up to 2016			

In line with the core objectives of Bangladesh Bank, the Government and World Forum towards a better Earth and careful practices for safeguarding this beautiful planet for the future generations, DBBL always remains and will actively work with the people as best as it can.

### **5.8.12 Green finance through scheme of Bangladesh Bank:**

The Circular of Green Banking & CSR Department, Bangladesh Bank vides reference No. 02 dated July 01, 2013 whereas Central Bank offers Commercial Banks to finance in the following categories under their Refinance Scheme for Renewable Energy & Environment Friendly Financeable Sector:

➤ **Solar Energy**

- Solar Home System
- Solar Mini Grid
- Solar Irrigation Pumping System
- Solar PV Assembly Plant

➤ **Bio-gas Plant**

- Setting up of Bio-gas Plant in existing cattle/ poultry Farm.
- Integrated Cow Rearing and Setting up of Bio-gas Plant.
- Organic Manure from Slurry.
- Mid Range Bio-gas Plant.

➤ Effluent Treatment Plant.

➤ Substitution of Conventional Lime Kiln by Energy Efficient Kiln.

➤ Hydropower (Pico, Micro & Mini)

➤ PET Bottle Recycling Plant.

➤ Solar Battery Recycling Plant.

➤ LED Bulb manufacturing Plant.

➤ Setting up of Hybrid Hoffman Kiln / Tunnel Kiln/equivalent technology in Brick manufacturing Industry.

## **5.9 Dhaka Bank Ltd.**

### **5.9.1 Green Banking of DBL:**

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming, also called as "Green House Effect", is a global issue that calls for a global response. The warming, an effect of certain man-made gas emissions (such as carbon-di-oxide, methane, nitrous oxide and hydro-furor carbon), is found responsible for distortion of balance in the environment and climate changes. Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most climate change vulnerable countries. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Dhaka Bank Limited, as part of financial sector of Bangladesh, is also responsible for safeguarding the environment.

### **5.9.2 Green Banking Activities:**

Green Banking calls for banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, banks should finance green technology and pollution reducing projects. Internally the banking operations have considerably increased the carbon footprint of banks due to their massive use of energy e.g. lighting, air conditioning, electronic / electrical equipments, IT, high paper wastage, lack of green buildings etc. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

### **5.9.3 Green Banking Initiatives of Dhaka Bank:**

- Realizing the importance of green banking, Dhaka Bank Limited has already formulated its Green Banking Policy as per Bangladesh Bank guidelines and have had it approved from its Board of Directors.
- Green Banking Financial Products: Dhaka Bank Ltd. has developed innovative green banking financial products which can directly or indirectly contribute to the reduction of carbon emissions.
- The Board of Directors of Dhaka Bank Limited has approved budget for “Green Finance” and “Climate Risk Fund” and working closely for its utilization. The bank is actively looking to finance green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc.
- Recently a participation agreement for “Refinancing in Hybrid Hoffman Kiln (HHK) or equivalent Technology of Brick Field” between Bangladesh Bank and Dhaka Bank Limited has been signed at the conference room of Bangladesh Bank. Under this agreement, Dhaka Bank Limited will finance brick field using environment friendly technology and will obtain refinancing facility from Bangladesh Bank in this respect.
- Online banking, mobile banking, internet banking facilities for our clients to encourage paper less banking.
- Use of e-mail and IP message system for internal communication throughout the bank.

### **5.9.4 In-House Green Banking Activities:**

In light of Green Banking Policy of Dhaka Bank Limited, a general instruction has been issued on the followings green activities/practices as part of in-house environment management and to promote Green Banking within the bank:

#### ➤ **Electricity Consumption**

- Ensure economic use of electricity;
- Use energy saving lights in bank premises;
- Shutdown your computer properly and switch off your computer monitor before leaving office each day;
- Ensure that light, fans, air conditioner have been switched off before leaving office each day; and
- Use energy efficient electronic equipments;

#### ➤ **Fuel Consumption**

- Ensure economic use of fuel;
- Buy energy efficient cars to reduce gas and petroleum consumption.

#### ➤ **Paper Consumption**

- Where possible use online communication (e-mail, IP message etc.) instead of printed communication;
- Think twice before taking a print;
- Take print on the both side of paper to save paper consumption;
- Use scrap paper for taking draft print and as note pads;

#### ➤ **Water Consumption**

- Do not misuse drinking water; and
- Ensure economic use of water in all other cases

#### ➤ **Others**

- Avoid use of disposable cups/glasses to become more eco-friendly;



### 5.9.5 Green Mortgages:

Dhaka Bank Ltd. will offer special discount to the borrower who will provide mortgage of land and buildings which are greener. This initiative will induce use of more energy-efficient materials and building plans. Dhaka Bank will not allow the land as mortgage that is prone to environmental impacts by virtue of its geographical location and polluted by the operation business activities. As a mortgage preference will be given to the buildings those are designed and constructed with energy efficient items such as solar panels and improved insulation.

### 5.9.6 Carbon Footprint Reduction:

Dhaka bank has taken the following measures to reduce the carbon footprint:

- (a) Paperless banking
- (b) Energy consciousness,
- (c) Establishment of green building for its own use etc.

### 5.9.7 Environmental Risk of Dhaka Bank:

The bank use Environmental Risk Rating (ERR) for both financing for new, green field projects as well as those pertaining to existing facilities. The scenario of environmental rating of the Bank is as under as of December 31, 2016:

**Taka in million**

<b>Particulars</b>		<b>Total</b>
No. of Projects applicable for Environmental Due Diligence (EDD)		724.00
No. of Projects Rated (Environmental Risk Rating)		724.00
Low		624.00
Moderate		100.00
High		-
Rated Projects financed	Total Number	1,262.00
	Low	1,135.00
	Moderate	127.00

	High	-
	Total Amount Disbursed (in million Taka)	9,547.28
	Low	7,00.90
	Moderate	2,544.38
	High	-

### 5.9.8 Social Responsibility Services:

As part of the green banking strategies, Dhaka Bank has initiated a number of social responsibility services like tree plantation campaign, park development, etc. As a token of the initiatives Dhaka Bank Ltd. has already developed a green square in front of the High Court named “Kadam Fountain” and another small park in front of the Dhaka Bank head office. Dhaka Bank also decorated the road island from Central Idgah to Kakrail Mosque with plantation of tree and flower plant as part of the Government beatification program.

### 5.9.9 Green Finance of Dhaka Bank Limited:

The Bank has undertaken the following green finance project up to December 31, 2016:

Particulars		Number	Amount
ETP	For Installation of ETP (Amount Disbursed)	1	12.00
	Projects financed having ETP (Full amount disbursed)	89	6,605.30
Bio-gas Plant		1	0.50
Hybrid Hoffman Kiln (HHK)		18	166.10
Green Finance at reduced rate of interest		2	1.00

### 5.9.10 Online Banking:

Dhaka Bank is pioneer bank of the country for conducting banking online. The online banking effort of the Bank is as under (Up to December 31, 2016):

<b>Particulars</b>		<b>Total</b>
No. of ATM	Own	54
	Shared	54
Online Banking	No. of Total Branches	94
	No. of Branches with online coverage	94
No. of Total Accounts		314,504
Internet Banking	No. of Accounts facilitated with internet Banking	12,437
	% of Accounts facilitated with internet Banking	4.00%
Mobile/SMS Banking	No. of Accounts facilitated with Mobile/SMS Banking	158,104
	% of Accounts facilitated with Mobile/SMS Banking	50.27%

# Chapter: 6

## Report Analysis and Findings

## 6.1 SWOT Analysis:

SWOT analysis refers to analysis of Strengths, Weakness, Opportunities and Threats of the organization. This facilitates the organization to make its future performance improved in comparison to its competitors. An organization can also study its current position through SWOT analysis. For all of these, SWOT analysis is considered as an important tool for making changes in the strategic management of an organization. SWOT is the short form of the Strengths, Weaknesses, Opportunities and Threats. This analysis actually done to minimize the company's overall weaknesses and threats by implementing the existing strengths and opportunities properly. Management done it predicts the future and set their goals and objectives.

### 6.1.1 SWOT Analysis of Social Islamic Bank Ltd:

<b>Strengths</b> <ul style="list-style-type: none"><li>➤ Customer satisfaction</li><li>➤ Service quality</li><li>➤ Pricing effectiveness</li><li>➤ Special skill &amp; knowledge</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>➤ Market share</li><li>➤ Shortage of skill work force.</li><li>➤ SIBL has lack of ATM booth.</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>➤ Emergence of E-banking will open more scope for SIBL.</li><li>➤ Advanced credit card business</li><li>➤ SIBL can introduce more innovative and modern customer service.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>➤ The worldwide trend of mergers and acquisition in financial institutions is causing problem.</li><li>➤ Competitors entering the market.</li><li>➤ Technological advantages</li><li>➤ Economic recession</li></ul>

### 6.1.2 SWOT Analysis of Dutch Bangla Bank Ltd:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>➤ Higher customer satisfaction.</li> <li>➤ Better digital service over all.</li> <li>➤ The bank has trained experienced</li> <li>➤ well educated manpower.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>➤ The product diversification of the bank is very narrow for large industrial sectors</li> <li>➤ The Branches of the bank have to depend on its Head office for decisions.</li> <li>➤ The bank does provide online banking service and ATM service.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>➤ Growing number of first tracks and ATM machines.</li> <li>➤ DBL can attract more clients to open account.</li> <li>➤ By offering higher interest rate they can collect more deposit.</li> <li>➤ Expanding business in rural areas by opening new branches there.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>➤ Regulatory restrictions may be a cause of threats.</li> <li>➤ The selection of default customers may be a hindrance of its rapid growth.</li> <li>➤ Some free services may decrease the overall net profit.</li> </ul>

### 6.1.3 SWOT Analysis of Dhaka Bank Ltd:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>➤ Well-diversified line of business.</li> <li>➤ Highly qualified team of management professionals.</li> <li>➤ A strong and resilient capital base.</li> <li>➤ A dynamic and vibrant Board of Directors.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>➤ Exporter will be benefited and the country will earn more foreign exchange.</li> <li>➤ DBL provides clean Import Loan to most of its solvent clients.</li> <li>➤ Presently DBL charges same rates for all types of import L/C.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>➤ This provides DBL financial stability.</li> <li>➤ gears up DBL to be remaining in the business for the long run.</li> <li>➤ The ultimate goal of DBL is to expand its operations to whole Bangladesh.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>➤ It is expected that in the next few years more commercial banks will emerge.</li> <li>➤ The problem of non-performing loans or default loans is very minimum or insignificant.</li> </ul>

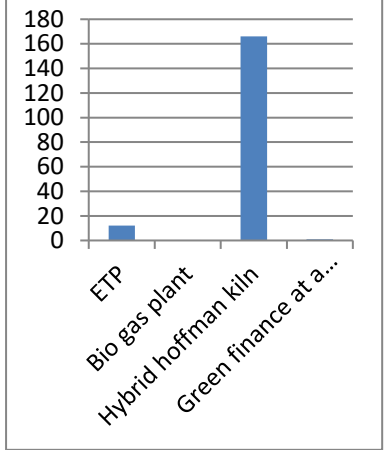
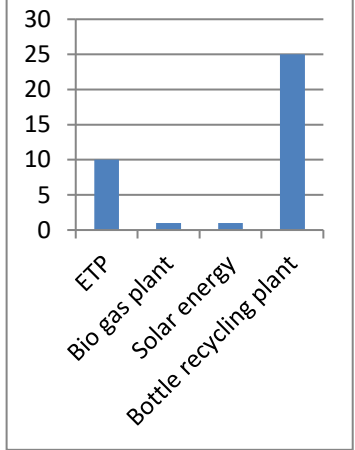
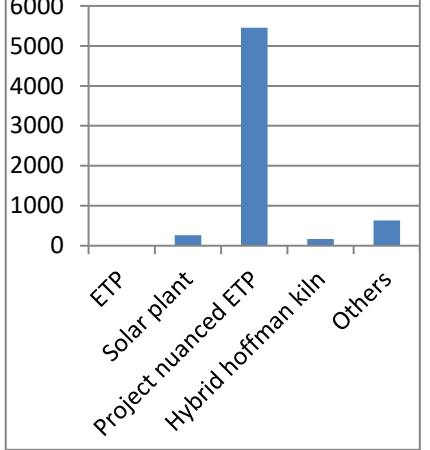
## ANALYSIS:

### 6.2 Green Banking activities of three bank at a glance:

Taka in million

Dhaka Bank Ltd.	Amount	Dutch Bangla Bank Ltd.	Amount	Social Islamic Bank Ltd.	Amount
ETP	12.00	ETP	10.00	ETP	-
Bio-gas Plant	0.50	Bio Gas plant	1.00	Finance for Installation of ETP	107.72
Hybrid Hoffman Kiln(HHK)	166.10	Solar Energy:	9.00	Project finance having ETP	2552.25
Green Finance at reduced rate of interest	1.00	PET Bottle Recycling Plant	25.00	Bio gas plant	0.49
				Solar panel	12.85
				Hybrid Hoffman Kiln	73.35
				Project financed in Brick field having zigzag	193.99
				Plastic, waste Recycling plant	6.80
				others	804.16

### 6.3 Graphical presentation of Three Bank

Dhaka Bank Ltd.	Dutch Bangla Bank Ltd.	Social Islamic Bank Ltd.																																
 <table border="1"> <caption>Data for Dhaka Bank Ltd. Chart</caption> <thead> <tr> <th>Project Type</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>ETP</td> <td>12</td> </tr> <tr> <td>Bio gas plant</td> <td>0.50</td> </tr> <tr> <td>Hybrid hoffman kiln</td> <td>166.10</td> </tr> <tr> <td>Green finance at a...</td> <td>0</td> </tr> </tbody> </table>	Project Type	Count	ETP	12	Bio gas plant	0.50	Hybrid hoffman kiln	166.10	Green finance at a...	0	 <table border="1"> <caption>Data for Dutch Bangla Bank Ltd. Chart</caption> <thead> <tr> <th>Project Type</th> <th>Amount (Million)</th> </tr> </thead> <tbody> <tr> <td>ETP</td> <td>10</td> </tr> <tr> <td>Bio gas plant</td> <td>1.00</td> </tr> <tr> <td>Solar energy</td> <td>1.00</td> </tr> <tr> <td>Bottle recycling plant</td> <td>25</td> </tr> </tbody> </table>	Project Type	Amount (Million)	ETP	10	Bio gas plant	1.00	Solar energy	1.00	Bottle recycling plant	25	 <table border="1"> <caption>Data for Social Islamic Bank Ltd. Chart</caption> <thead> <tr> <th>Project Type</th> <th>Amount (Million)</th> </tr> </thead> <tbody> <tr> <td>ETP</td> <td>0</td> </tr> <tr> <td>Solar plant</td> <td>265.88</td> </tr> <tr> <td>Project nuanced ETP</td> <td>5452.98</td> </tr> <tr> <td>Hybrid hoffman kiln</td> <td>168.50</td> </tr> <tr> <td>Others</td> <td>630.67</td> </tr> </tbody> </table>	Project Type	Amount (Million)	ETP	0	Solar plant	265.88	Project nuanced ETP	5452.98	Hybrid hoffman kiln	168.50	Others	630.67
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<p><b>Comments:</b> I see that the highest number of project of Green banking activities of Dhaka Bank Ltd. was in Hybrid Hoffman kiln (166.10) than ETP was (12), Bio gas plant (0.50) in 2016.</p>	<p><b>Comments:</b> I can conclude that the highest amount of Green Banking activities of Dutch Bangla Bank Ltd. was Bottle recycling plant (25 million) and ETP (10 million) and Bio gas plant, Solar energy plant was (1.00 million).</p>	<p><b>Comments:</b> I see that the highest amounts of Green banking activities of Social Islamic Bank Ltd. was Project nuanced ETP (5452.98 million) and Solar plant (265.88 million), Hybrid Hoffman kiln (168.50 million) and Others plant was (630.67 million) in 2016.</p>																																

**Interpretation:** I see that the highest number of Green banking Ltd. was in Dhaka bank ETP (12) comparison of Dutch Bangla bank ETP is medium (10) and Social Islamic bank ETP is low (0). DBL. are Bio gas plant high and DBBL. low. And Solar plant are SIBL high and DBL is low .and Hybrid Hoffman kiln are DBL high SIBBL is low.



## 6.4 Findings:

- In ETP activities Dhaka Bank Ltd. invest highest amount (12.00 million) comparison between Dutch Bangla Bank Ltd. (10.00 million) and Social Islamic Bank Ltd is not investing in this project.
- In Bio Gas plant Dutch Bangla Bank Ltd. invest big amount (1.00 million) and second highest amount invest Dhaka Bank Ltd (0.50 million) but Social Islamic Bank Ltd (0.49 million)
- On the other hand, Social Islamic Bank Ltd. invest tk. 2552.25 million in project nuanced having ETP.
- In Solar energy plant Social Islamic Bank Ltd. invest highest amount (12.85 million), Dutch Bangla Bank Ltd. invest (9.00 million) but Dhaka Bank Ltd. not invest in this project.
- In Hybrid Hoffman Kiln plant Dhaka Bank Ltd. invest big amount (166.10 million) compare between Social Islamic Bank Ltd. invest (73.35 million) but Dutch Bangla Bank is not invest in this plant.
- Dutch Bangla Bank Ltd. invest big amount in PET Bottle Recycling Plant (25.00 million) but another two bank do not invest in this project.
- On the others project Social Islamic Bank Ltd. invest big amount taka 804.16 million.

**Comments:** I can conclude that Social Islamic Bank Ltd. is one of the biggest investor in Green banking activities comparison between Dhaka Bank Ltd. and Dutch Bangla Bank Ltd.

# Chapter: 7

## **Recommendations and conclusion**

## 7.1 Recommendations:

From the analyzing whole assignment we have understand that in modern age for long term survival every company should involve in Green baking activities for reduction Global warming and improve Global environment. In where they are operating every company should liable for developing that country's environment, economy, infrastructure, culture, life style etc. Our selected Bank's are already involve those activities for long term survival as well as get them free from social liability. To improve Private Commercial Bank's in Bangladesh Green banking activity the following suggestions are to be followed:

- Every bank should increase awarenss about Green Banking for all classes of peoples.
- Every bank should increase online banking in rural areas.
- Every bank can develop mortgage plan for increase eco-systems and livelihoods.
- Banladesh Bank can take steps to arrange annual award programe for best Green Baking activities.
- Every bank should give loans with low interest for solar and biogas plant.
- Dhaka Bank Ltd. should more invest in Biogas and Solar plant.
- Every bank can tree plantation in rural areas.

## **7.2 Conclusion:**

The study concludes that in spite of a lot of opportunity in green banking. This study was limited to investigating Contribution of Green Bank toward rural development in Bangladesh. Because the data was collected from secondary sources but further investigations is required to find out the Contribution of Green Bank toward rural development in Bangladesh. Banks believe that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of them can work towards to better global environment. Although as a third world country Bangladesh has a lot of problems. Government often find themselves helpless when it comes to solving of these problems. For this reason private commercial banks of Bangladesh keep important role for Green Banking activities to improve environment of Bangladesh and reduce Global warming. However, overall Green banking is really a good way for people to get more awareness about global warming.

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