

Report on Green Banking

We are aware that global warming is an issue that calls for global response. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet. Green finance as a part of Green Banking makes 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 environment. The state of environment in Bangladesh is rapidly deteriorating. The key areas of environmental degradation cover air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial medical and house-hold waste, deforestation, and loss of open space and loss of biodiversity. In addition, 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 important roles. In response to the above, urgent measures are required. Banks hold a unique position in an economic system that can affect production, business and other economic activities through their financing activities and thus may contribute to pollute environment. Moreover, energy and water efficiency and waste reduction are of high concern for many big banks. Green banks or environmentally responsible banks do not only improve their own standards but also affect socially responsible behavior of other business.

Bank has social responsibility. Profit alone does not hold a central focus in the Bank's operation; because man does not live by bread and butter alone. Banks have to work for the betterment of the society. So, Green Banking is the demand of time for sustainable development.

Environment friendly banking is called Green Banking. Environmental concern is at the center of the green banking strategy. Green Banking is like a normal bank, which considers all the social and environmental factors. It is also called as ethical bank, environmentally responsible bank, socially responsible bank, or a sustainable bank and is expected to consider all the social and environmental factors. The approach to Green Banking varies from bank to bank, however, broad objectives of the banks are to use their resources with responsibility avoiding waste and giving priority to environment and the society. Ethical banks sometimes work with narrower profit margins than traditional

ones. A Green Bank never invests in the environment threat project. The environmentalist bank is Green Bank.

As green initiatives sweep across the globe, more and more banks have been adopting green banking practices that are connected with both internal operation and product ecology.

Bangladesh Bank, vide BRPD circular No.2 dated February 27,2011 has advised the banks to adopt a comprehensive Green Banking policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices. Green Banking policy needs to be covered through time frame which will be segregated into 3 phases. The time lining for the actions to be taken under different phases is given as under:-

- 1) Phase i- should not exceed December 31, 2011
- 2) Phase ii- should not exceed December31, 2012
- 3) Phase iii- should not exceed December31, 2013

We are careful enough about the above time lining. We have already invested near about 04.00(Four) crore as Green Finance in 2012.Uttara Bank Limited is so much committed to play an important role for the implementation of Green Banking challenges. Our Bank has taken rigorous steps towards Green banking goals. We hope that, it will create a new horizon in the banking sector.