

# IMPACT OF GREEN BANKING IN ECOLOGICAL PROTECTION [WITH A SPECIAL REFERENCE TO SBI; DHARMAPURI DISTRICT, TAMILNADU]

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## Abstract

The green banking has its own magnitude in the modern period. It is an umbrella term referring to practices, protective and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment. If a bank needs to promote its business then it should adopt green banking for reaching its target. This study shows the impact of green banking in ecological protection. For this purpose, the researcher selected SBI branch, Dharmapuri. Hundred and twenty five respondents are selected to interpret this present study.

**Key words:** Green banking, ethical banking, e-banking, internet banking, mobile banking, green banking products, etc.

## 1. Introduction

First green banking was founded in 2009 in Florida. The first green banking is a customer-driven community bank providing personalized service, localized decision making and proven technology by promoting a positive environment that is acceptable to the community. State Bank of India, India's largest commercial bank, took the lead in setting high sustainability standards and completed the first step in its green banking initiative inaugurating the bank's first wind farm project in Coimbatore. Green banking initiatives include a push for solar powered ATM, paper less banking, clean energy projects and the building of wind mills. Green banking aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. It is like normal banking along with the consideration for social as well as environmental factors for protecting the environment.

## 2. Concept of green banking

Green banking means promoting environment friendly practices and reducing carbon footprint from banking activities. This comes in many forms viz., using online banking instead of branch banking, paying bills online instead of mailing them, opening of commercial deposits and money market accounts in online banks etc. Green banking refers to the efficient and effective use of computers, printers and servers to optimize the use of energy and waste-less paper. One of the important ways in which banks can implement green banking is by promoting the use of online

banking. Online banking helps reduce paperwork and the need to travel to bank branches. Depending on the state, a green bank may conform to a variety of forms, utilize 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 and low-cost public investments. Ultimately, all green banks will exhibit several common characteristics. Leverage public funds by attracting much greater private investment for clean energy and markets.

### 3. Ecological protection by banks

Banks are the most important institutions that help business activities. They play major role in the development of country's economy. In modern period, the functions of banks are increasing day by day. They concerned about the environmental issues. The various banks which provide green banking services to their customers are as follows:

**State Bank of India:** State Bank of India is one of the major banks that encourage the environmental protection. It has a green channel counter for encouraging paperless work. There is no use of pay slips, withdrawal forms, cheque leaves, remittance forms and the transactions are done through ATM cum debit card. SBI initiated carbon disclosure project in the financial sector in India, for the sake of environmental concern and safety by the Carbon Disclosure Project of World Wide Fund. SBI has launched green banking policy and set up windmills in Tamil Nadu, Maharashtra and Gujarat in generating 15MW power. This is the first bank in India which is in green banking and promoting green power projects.

**Punjab National Bank:** Punjab National Bank has taken various steps for reducing emission and energy consumption.

**Bank of Baroda:** Bank of Baroda has taken various green banking initiatives such as financing a commercial project. Bank of Baroda is giving preference to environment friendly green projects such as windmills, biomass and solar power projects which help in earning the carbon credits.

**Canara Bank:** As a part of green banking initiative, it has adopted environmental friendly measures such as mobile banking, internet banking, tele banking, and solar powered biometric operations.

**ICICI Bank:** ICICI B has started go green initiative which involves activities like green products/offerings, green engagement and green communication with customers.

**HDFC Bank:** HDFC Bank is taking up various measures for reducing their carbon footprints in waste management, paper use and energy efficiencies.

**Kotak Mahindra Bank:** Through the think green initiative, this bank has taken several initiatives such as to reduce the paper consumption and encouraging their customers to sign for e-statements and they had become partners with Grow-Tree.com to plant one sapling for every e-statement on behalf of its customers.

**IndusInd Bank:** It has initiated its green office project under which it had installed solar powered ATMs in different cities targeting energy saving as well as reducing CO2 emissions.

**YES Bank:** It has projects portfolio in the areas of alternative energy and clean technologies.

**HSBC Group:** HSBC has separate targets for data center, paper consumption and business air travel. Its targets are to drive efficiency, reduce its operational impact on the environment and generate cost savings.

**IDBI:** IDBI Bank is providing various services in the field of clean development mechanisms to its client.

#### 4. Objectives of the study

1. To find out the impact of green banking in ecological protection.
2. To identify the strategies adopted by State Bank India for green banking.
3. To know the factors used for promoting green banking.

#### 5. Methodology

The nature of the study is descriptive and it has been conducted by using primary as well as secondary data. It is an attempt to study about the green banking concept and its importance in ecological protection. The data were collected from 125 customers through questionnaire. The secondary data were collected from journals, books, magazines and online

## 6. Analysis and interpretations

**TABLE 1**  
**Profile of the Respondents**

Demographic profile		No. of Respondents	Percentage
Gender	Male	83	66.4
	Female	42	33.6
Age (years)	Below 18	18	14.4
	19-30	28	22.4
	31-45	53	42.4
	Above 45	26	20.8
Occupation	House wife	12	9.6
	Employee	63	50.4
	Business	26	20.8
	Students	11	8.8
	Any other	13	10.4
Monthly family income (Rs.)	Below 10000	36	28.8
	10001-20000	59	47.2
	20001-40000	25	20
	Above 40000	5	4

Source: Primary Data

The above table shows that 66.4% of the respondents are male and 33.6% of the respondents are female. 14.4 % of the respondents are belong to the age group of below 18 years, 22.4% are 19 to 30 years, 42.4% of respondents are between 31 to 45 age groups, 20.8% of respondents are above 45 years. Majority (47.2%) of the respondents earn monthly income is between Rs.10001 to 20000.

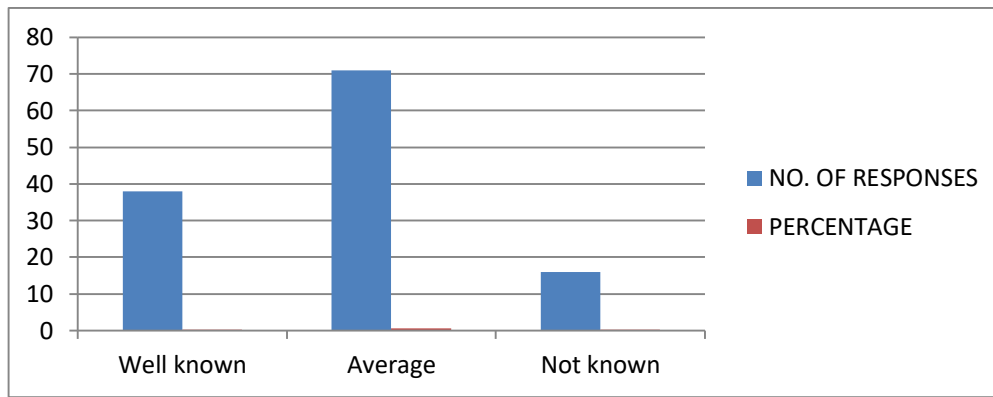
**TABLE 2**  
**Awareness of Green Banking**

Awareness	No. of Respondents	Percentage
Well known	38	30.4
Average	71	56.8
Not known	16	12.8
Total	125	100

Source: Primary Data

The above table shows that 30.4% of the respondents are well known 56.8% respondents partly aware and 12.8% of respondents are not known the green banking.

**FIGURE 1**  
**Awareness of Green Banking**



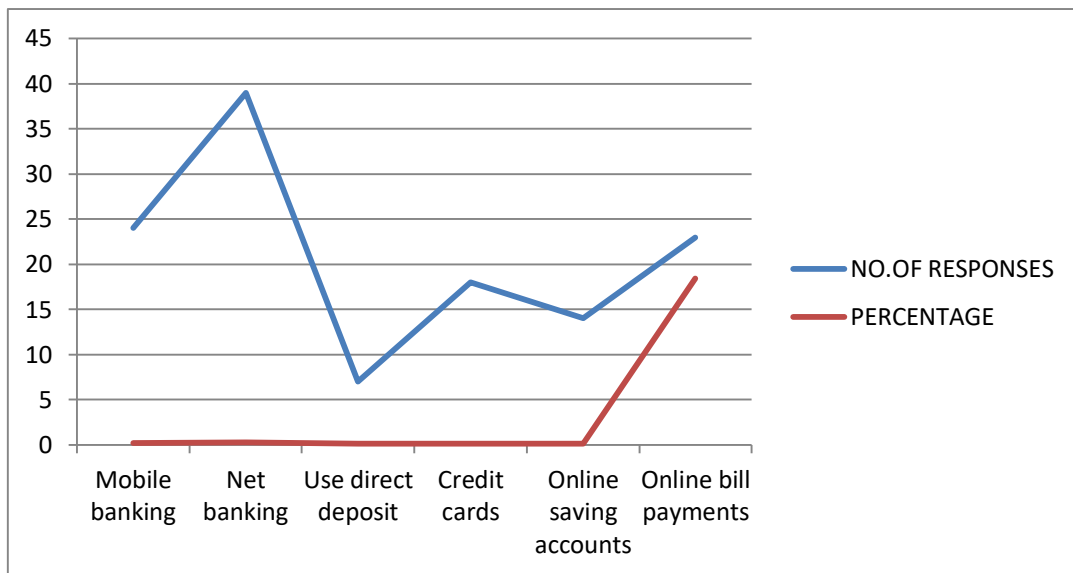
**TABLE 3**  
**Methods of Green Banking Used by the Respondents**

Methods	No. of Respondents	Percentage
Mobile banking	24	19.2
Net banking	39	31.2
Use direct deposit	7	5.6
Credit cards	18	14.4
Online saving accounts	14	11.2
Online bill payments	23	18.4
Total	125	100

Source: Primary Data

The above table reveals that 19.2% of the respondents use mobile banking, 31.2% of the respondents are using net banking, 5.6% of the respondents are making direct deposit, 14.4% of the respondents use credit cards, 11.2% of the respondents are having online savings bank accounts, 18.4% of the respondents are making online bill payments.

**FIGURE 2**  
**Methods of Green Banking Used by the Respondents**



**TABLE 4**  
**Factors Influencing to adopt Green Banking**

Factors	No. of Respondents	Percentage
Website	17	13.6
Event meeting	52	41.6
Bench marking	14	11.2
Capacity building	10	8
Road shows	5	4
Media	27	21.6
Total	125	100

Source: Primary Data

Website, event meeting, bench marking, capacity building, road shows and media are the factors influencing the respondents to adopt green banking at 13.6%, 41.6%, 11.2%, 8%, 4%, and 21.6% respectively.

## 7. Findings

1. 66.4% of the respondents are male and 33.6% of the respondents are female. 14.4 % of the respondents are belong to the age group of below 18 years, 22.4% are 19 to 30 years, 42.4% of respondents are between 31 to 45 age groups, 20.8% of respondents are above 45 years. Majority (47.2%) of the respondents earn monthly income is between Rs.10001 to 20000.
2. 30.4% of the respondents are well known 56.8% respondents partly aware and 12.8% of respondents are not known the green banking.
3. 19.2% of the respondents use mobile banking, 31.2% of the respondents are using net banking, 5.6% of the respondents are making direct deposit, 14.4% of the respondents use credit cards , 11.2% of the respondents are having online savings bank accounts 18.4% of the respondents are making online bill payments.
4. Website, event meeting, bench marking, capacity building, road shows and media are the factors influencing the respondents to adopt green banking at 13.6%, 41.6%, 11.2%, 8%, 4%, and 21.6% respectively.

## 8. Suggestions

Bankers have to explain its customers about ecological products through a public website. It will be admirable to conduct events for popularizing the green banking concept.

## 9. Conclusion

The green banking is the operation of the financial sector with special focus on the environmental, ecological and social factors. Green banking is not well developed in SBI branch. However, the bank shall take necessary steps to protect and preserve environment by green banking. In the present condition, the environmental problems are increasing day by day. They target the conservation natural recourses. It helps to create awareness about environmental protection among people and helps to promote the environmental management.



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