would increase. Hence, banks can acquire brand reputation. This should help banks benefit from ethical conduct.

Meaning of Ethics in the Present Context

Before concluding I would like to make a few observations.

The brand name reputation is also likely to attract ethically-minded consumers to the product. A symbiotic relationship is likely to emerge between banks and their ethical conduct.

Don’t bow down to illegitimate pressures exerted by governments, regulatory bodies, and other stakeholders. Focus on ethical conduct.

I must compliment Bangladesh Institute of Bank Management for initiating the ELEVENTH NURUL MATIN MEMORIAL LECTURE on “Ethics in Banking.” The lecture has provided a platform for discussing the current status of banks in Bangladesh. I am aware of the challenges摆在面前. In my judgment, ethics in banking must be maintained to ensure the stability of the financial sector.

Ethics in banking is not only about adherence to prevailing laws and regulations. It goes beyond that. It involves corporate responsibility, morality, and accountability. Banks are not just profit-making organizations. They are also corporate citizens. Milton Friedman, a Nobel-laureate economist, argued that the primary goal of a business is to maximize profits. However, this perspective has been challenged by researchers who argue that businesses have a responsibility to contribute to the well-being of society.

The banking system in Bangladesh has not been entirely ethical. Prior to the 1997-98 Asian financial crisis, banks engaged in unethical practices. There were instances of fraud, money laundering, and opaque financial transactions. The crisis exposed the vulnerabilities of the banking system and highlighted the importance of ethical conduct.

Relevance of External Conditions

Ethics in banking is influenced by external conditions. A loose monetary policy enables banks to lend at low interest rates and without due regard for prudential norms. This resulted in significant capital inflow from the international capital market, including foreign banks.

Loose monetary policy enabled banks to lend at low interest rates and without due regard for prudential norms. In consequence, consumers chose to live beyond their means and purchase goods and services on credit. As these bubbles burst, non-performing loans soared. Moreover, borrowing in the real economy became victim of serious negative externalities. Thailand, for example, suffered negative growth of 14% and 8% in 1997 and 1998, respectively.

In my judgment, ethics in banking requires prudence. To a significant extent, therefore, the banking system has to be ethically robust. This is necessary to ensure the stability of the financial sector. The banking system has to be resilient to shocks and vulnerabilities.

The growth of credit to the private sector has fallen short of expectations. The investment climate remains weak. This has resulted in low-yield investments and a reduction in capital inflow. The impact of European debt crisis on the growth performance of advanced economies, do not augur well for income and profitability of our banks.

Develop effective risk management systems.

Engage in transparent accounting practices.

Support employees’ and their family members’ access to employment-related help, including counseling services.

Treat employees fairly and compassionately.

In conclusion, I would like to emphasize the importance of ethical conduct in banking. Banks have an important role to play in the economic development of our country. They are not just profit-making organizations, but also corporate citizens. They have a responsibility to contribute to the well-being of society. Therefore, banks must ensure that their activities do not result in negative externalities or exacerbate social and economic problems.

I would like to end by stating that my familiarity with the relevant literature is at best peripheral. I have written volumes on the interpretation of ethics espoused by such great philosophers as Aristotle, Kant, Bentham, Mill, etc. This brief taxonomy suggests that it is not necessary to bother about the interpretation of ethics.