

Quarterly Review Report on Green Banking Activities of Banks

As of March 2013



**Green Banking and CSR Department
Bangladesh Bank
Head Office**

1. Introduction:

Policy Guidelines for Green Banking was issued to the scheduled banks vide BRPD Circular No. 02/2011 in February 2011. In that policy guidelines, banks were advised to report their green banking initiatives/activities to Bangladesh Bank on quarterly basis. In 2012, banks were provided with a uniform reporting format for report green banking activities in a structured manner.

This review report is the consolidated reflection of the quarterly reports of scheduled banks as of March 31, 2013.

2. Policy Formulation and Governance:

All 47 banks (scheduled before 2013) have their own Green Banking Policy Guidelines approved by their Board of Directors/Competent authority and have Green Banking Unit (GBU) for pursuing Green Banking activities. They also have their own Green Office Guide for conducting their in-house green activities.

1.1. Allocation and Utilization of Fund for Green Banking Activities:

Out of Tk. 365,652.45 million for green banking activities, banks have allocated Tk. 363,929.96 for green finance, Tk. 1,196.16 for climate risk fund and Tk. 526.33 for Marketing Training and Capacity Building. This allocation has been made on annual basis.

40 banks have utilized Tk. 70,381.89 million in the reporting quarter for green banking activities. Out of which, Tk. 70,326.45 for green finance, Tk. 20.56 for climate risk fund and Tk. 34.88 have been utilized.

Types of Banks	Annual Allocation of Fund (in million Taka)				Utilization of Funds (in million Taka)			
	Green Finance	Climate Risk Fund	Marketing, Training and Capacity Building	Total	Green Finance	Climate Risk Fund	Marketing Training and Capacity Building	Total
SCBs	3,915.00	94.70	86.20	4,095.90	994.90	6.17	2.50	1,003.57
SDBs	5,000.00	433.20	40.10	5,473.30	1,216.66	1.00	0.00	1,217.66
PCBs	275,024.34	540.22	273.69	275,838.25	53,055.08	12.99	25.43	53,093.50
FCBs	79,990.62	128.04	126.34	80,245.00	15,059.81	0.40	6.95	15,067.16
Total	363,929.96	1,196.16	526.33	365,652.45	70,326.45	20.56	34.88	70,381.89

Types of Banks	Utilization of Climate Risk Fund (Amount in million taka)	
	Event	Project
SCBs	6.17	0.00
SDBs	1.00	0.00
PCBs	12.98	0.01
FCBs	0.14	0.26
Total	20.29	0.27

3. Environmental Risk Rating (ERR):

42 banks have conducted environmental risk rating in the reporting quarter. Janata Bank Ltd, NCC Bank Ltd, Premier Bank Ltd, National Bank of Pakistan and State Bank of India are the five banks that have not pursued ERR. According to that, number of Projects applicable for Environmental Due Diligence (EDD) rating in this quarter is 8,991.

Types of Banks	No. of projects applicable for EDD	No. of projects Rated	No. of Rated projects Financed	Amount disbursed in Rated projects (million taka)
SCBs	124	78	44	4,483.72
SDBs	112	80	80	3,090.81
PCBs	7,607	7,060	6,090	305,173.95
FCBs	1,148	899	519	26,177.55
Total	8,991	8,117	6,733	338,926.03

4. In-house Environment Management:

Types of Banks	No. of Branches	No. of branches powered by Solar Energy	No. of ATM/SME units powered by Solar Energy
SCBs	3,491	16	0
SDBs	1,464	22	0
PCBs	3,400	187	179
FCBs	66	3	4
Total	8,421	228	183

5. Green Finance:

39 banks have exposure in green finance, either direct or indirect mode. Total amount invested as green finance has been Tk. 70,326.45 million as of March 2013.

Types of Banks	ETP		Bio-gas Plant	Solar Panel /Renewable Energy Plant	Bio-fertilizer Plant	HHK	Others	Green Finance at reduced rate of interest
	For Installation	Projects financed						
SCBs	0.00	304.80	0.94	2.47	0.00	536.90	149.80	0.00
SDBs	58.43	986.73	0.03	133.06	0.00	28.00	10.41	0.00
PCBs	2,495.02	47,468.56	43.51	150.42	0.02	259.43	2,608.07	30.05
FCBs	0.00	14,387.88	0.00	671.93	0.00	0.00	0.00	0.00
Total	2,553.45	63,147.97	44.48	957.88	0.02	824.33	2,768.28	30.05

Types of Banks	Direct Green Finance¹	Indirect Green Finance²	Total Green Finance
SCBs	690.10	304.80	994.90
SDBs	229.93	986.73	1,216.66
PCBs	5,586.52	47,468.56	53,055.08
FCBs	671.93	14,387.88	15,059.81
Total	7,178.48	63,147.97	70,326.45

6. Online Banking:

44 banks have at least one online branch and 28 banks have introduced internet banking facility up to March 2013.

Types of Banks	No. of Total Branches	No. of Branches with online coverage	Percentage of Online Branches
SCBs	3,491	430	12.32%
SDBs	1,464	83	5.67%
PCBs	3,400	3,135	92.21%
FCBs	66	66	100.00%
Total	8,421	3,714	44.10%

Types of Banks	No. of Total Accounts	No. of A/Cs facilitated with Internet Banking	Percentage of A/Cs facilitated with Internet Banking	No. of A/Cs facilitated with Mobile/SMS Banking	Percentage of A/Cs facilitated with Mobile/SMS Banking
SCBs	29,504,536	22	0.00%	3,383	0.01%
SDBs	13,554,948	0	0.00%	0	0.00%
PCBs	26,808,359	713,892	2.66%	1,931,700	7.21%
FCBs	441,448	154,043	34.89%	180,543	40.90%
Total	70,309,291	867,957	1.23%	2,115,626	3.01%

¹ Direct green finance include financing for ETP installation, Bio-gas Plant, Solar Panel/Renewable Energy Plant, Bio-fertilizer Plant, HHK and green finance at reduced rate of interest.

² Indirect green finance refers to financing the projects having ETP or alike systems.

7. Training, Promotion and Disclosure:

30 banks have arranged 79 training programs concerning green banking where total number of participants was 9,115. A snapshot on training is given below:

Types of Banks	No. of Programs	No. of Participants
SCBs	9	208
SDBs	9	258
PCBs	54	8,555
FCBs	7	94
Total	79	9,115

32 banks have initiated Green Marketing and 8 banks have arranged Green Events in this quarter.

Upto March 2013, 39 banks have pursued disclosure on green banking in their annual report, 35 have put green banking disclosure in their website. 19 banks have disclosed their green banking activities in the media and 4 banks have prepared Independent Report on green banking activities.

8. Major Green Banking Activities at a Glance in March 2013:

- ❖ Green Banking unit has been established in 47 banks.
- ❖ 47 banks have introduced a Green Office Guide.
- ❖ EnvRR has been done for 8,117 projects.
- ❖ 6,733 rated projects have been financed.
- ❖ 338,926.03 million taka has been disbursed against rated projects.
- ❖ 228 branches and 183 ATM/SME unit offices are powered by solar energy.
- ❖ 3,714 branches have been facilitated with online coverage.
- ❖ Taka 70,326.45 million has been disbursed as green finance.
- ❖ Taka 20.56 million has been utilized from climate risk fund.
- ❖ Taka 34.88 million has been utilized for green marketing, training and development.

9. Concluding Remarks:

From the experience of last two years of the implementation of Policy Guidelines for Green Banking, it is observed that the first quarter of the year shows little slump situation. March 2013 is also indicates that way. However, rest of the year will expectedly be more shining.