



## 8. Sustainable Practices in Banking Industry

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### **ABSTRACT**

*It is widely held that sustainable banking will significantly benefit imposing banks. Controllers, specifically, progressively view it for of advancing the supportable improvement. Subsequently, these controllers are laying out structures, rules, and arrangements that expect banks to guarantee the maintainability of their business exercises and tasks. Despite previous strategies, we agree that the bank can acquire various gifts that ultimately result in the overall expansion of their venture. It is likewise accepted that banks face various difficulties while implementing supportable financial standards, no matter what their degree of commitment with the standards. Likewise, we expect that partners, like clients, financial backers, and controllers, will have more open doors, dependent exclusively upon reports of banks that are effectively forcing reasonable banking to use on. The purpose of the gift test is to gauge how delighted customers are with the environmentally conscious banking practices of State Bank of India. As per the consequences of our review, there are still chances to further develop reasonable financial practices likewise, regardless of the critical headway made by the bank and the bank all in all.*

### **KEYWORDS**

*Sustainable Banking, Sustainable Development and Consumers' Satisfaction.*

### **Prologue and Problem:**

Sustainable banking practices incorporate environmental, social, and governance (ESG) standards, and achieving ESG benefits is a primary objective. A standard definition of "manageable financial" continues to emerge. At this point, it is generally agreed upon that sustainable banking entails avoiding business and operational banking activities while

carefully considering their impact on society and the environment. Economical financial practices are carried out by monetary foundations in both their everyday activities (as far as how they deal with their actual branches and areas, human resources, expenses, amazing open doors, and chance openings) and their games (as far as their collaborations with clients and the sorts of tasks they store). Banks have benefited from incorporating supportability into their strategy and project work, including advanced ubiquity and advanced financial backer certainty, according to method of method studies conducted for the International Finance Corporation (IFC).

### **Literature Review:**

Mihir Kumar Roy and coworkers (2015) led an exploratory review that remembered table examinations for current writing and content material investigation. Their objective was to gain a deeper understanding of the concepts and operations of banks that are closer to sustainability and have a unique connection to CSR, GB, and Financial Inclusion (FI). Under the direction of the Central Bank, the investigation revealed a robust response by imposing sustainability issues on banks in a variety of capacities.

The findings of the paper are expected to shed light on the perspectives of banking professionals as well as policymakers regarding the sustainability concepts and contemporary reputation sustainability initiatives that the regulatory authority in Bangladesh has implemented.

Bhattacharya et al. report, banks all around the world face gigantic tension from a large number of partners, including investors, financial backers, the media, NGOs, and clients. (2004; 2001, Jeucken; 2004; Coupland, 2005) to perform undertaking in a dependable and moral manner. As a result, over the course of the past ten years, there has been a widening awareness of supportability issues for financial foundations that have not been completely resolved anywhere in the world. (Hopkin and Cowe, 2003; academics) Ian (2005) asserts that a financial institution's socially irresponsible operations may have a negative impact on its proportion charges and brand popularity, prompting a greater number of customers to inquire about the financial institution's social responsibility policy.

In point of fact, in recent years, socially responsible investors have criticised businesses for failing to keep up with current global issues like their responsibility for the weather. The book "Feasible Banking - The Greening of Money" by Bouma, Jeucken, and Kilkers (2001) significantly affected the financial business inside the setting of manageable improvement. In order to find banks that are closer to sustainability, the authors identified four types of banking: prudent, preventative, hostile, and cost-effective banking;

They also mentioned significant differences in sustainable banking between nations, regions, and banks. The book talks about different points of view and case studies about the many changes that have happened in the financial sector and tells banks to go along with the path of sustainability. The following are the five most significant topics covered in their ebook: the roles played by governments, non-governmental organizations, and multilateral banks, as well as bank regulations, transparency, communication, an environmental funding budget, environmental risks, and the effects on bank products of these factors.

**Methodology:**

The research is built on analytical primary data that was gathered from sample respondents through structured questionnaires. Auxiliary sources like diaries, magazines, research papers — both distributed and unpublished — and sites gave extra data that was helpful for the examination of the review. The population that was the focus of this investigation was comprised of 100 samples taken from the city of Bangalore and belonging to customers of State Bank of India. The review utilized the straightforward irregular inspection method, in which the example respondents were selected haphazardly.

**Limitations of The Study:**

This research was restricted to Tirunelveli in the Indian state of Tamil Nadu and was location-specific. Statistical tools for analysis included the simple percentage analysis and the chi square analysis. As a result, the findings of this study may not apply to other regions of the world.

The study's findings reflect the responses of the sample of respondents, which are highly susceptible to subjective and prejudicial.

**Analysis and discussion:**

**Table 8.1: Demographic Profile of Respondents**

<b>Sr. No.</b>	<b>Customers' Particulars</b>		<b>Frequency</b>	<b>Percentage (%)</b>
1	Gender	Male	48	48
		Female	46	46
		Transgender	06	06
2	Age	18 – 30 years	30	30
		Between 30 and 45 years	44	44
		Between 45 and 60 years	22	22
		Above 60 years	04	04
3	Education	School level	22	22
		Diploma	16	16
		Graduation	50	50
		Professional	12	12
4	Marital status	Married	38	38
		Unmarried	62	62
		Divorced/others	00	00
5	Occupation	Public	24	24
		Private	58	58
		Self-employed/Business	18	18

Sr. No.	Customers' Particulars	Frequency	Percentage (%)
	Others	00	00
6	Monthly Income	Upto 15000 Rs	26
		15001 to 20000	34
		20001 to 30000	28
		More than 30000	12

**Source: Primary data**

According to the aforementioned table, 48% of respondents are males and 44% of them are between the ages of 30 to 45. The majority of respondents, or approximately 58% are employed privately. The majority of respondents, or about 50%, are graduates and 62% are single. Finally, when it came to monthly income, the majority of responses fell into the range of Rs. 15001 to 20000. Association between the level of satisfaction towards sustainable banking practices and the demographics of consumers  $H_{01}$ : Association between the level of satisfaction towards sustainable banking practices and the demographics of consumers is insignificant

**Table 8.2: Level of Satisfaction on Sustainable Banking Practices: Chi-Square Analysis**

Activities	Gender		Age		Education		Marital Status		Occupation		Monthly Income	
	$x^2$	Sig	$x^2$	Sig	$x^2$	Sig	$x^2$	Sig	$x^2$	Sig	$x^2$	Sig
Updated Technology	32.736	0.032*	45.739	0.022*	38.422	0.180	38.032*	0.452	34.886	0.043*	45.892	0.039*
Green Banking	34.748	0.024*	32.046	0.002**	34.981	0.044*	43.762	0.007**	45.932	0.022*	38.654	0.722
Corporate Banking	43.733	0.005**	24.844	0.037*	45.782	0.006**	38.922	-0.755	35.959	0.006**	43.756	0.006**
CSR	25.849	0.032*	28.037	-0.772	43.722	0.762	45.732	0.022*	38.965	-0.738	32.845	-0.644
CRM	32.740	0.003*	32.737	0.029*	43.745	0.043*	37.843	0.042*	35.784	0.017*	38.644	0.043*

**Source: Primary data \*\* Significant at 1 per cent level \*Significant at 5 per cent level**

The table represents the consumers' satisfaction level on sustainable banking practices in respect to their demographic profiles. The variables of sustainable banking practices are found significant with the demographics of the consumers and hence the null hypothesis is rejected concluding that there is a significant association between the demographics and the satisfaction level of consumers towards sustainable banking practices.

### Conclusion:

The nation has a constitutional obligation to promote sustainable development, and sustainable banking is the first step toward that goal through sustainable banking. The

banking sector plays a wholly unique role in sustainable development because of its role as an intermediary between depositors and borrowers. In general, the examination revealed a lot of responses from customers. Every one of the respondents have drawn in with reasonable banking in a solitary shape or the unique. The majority of customers have stated that they can immediately link their sustainable banking activities to their personal or business growth (in terms of economic and non-economic benefits). Regardless of this turn of events, every one of the client's notable that more prominent longings to be accomplished to upgrade on their cutting edge advancement with feasible banking.

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