

GREEN BANKING PRACTICES AND PERCEIVED PERFORMANCE OF NEPALESE COMMERCIAL BANKS

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fulfilment of the requirements for the Master's Degree Masters of Business Studies
(MBS)

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Green Banking Practices and Perceived Performance of Nepalese Commercial Banks**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Report of Research Committee

Ms. Urmila Lama has defended research proposal entitled Green Banking Practices and Perceived Performance of Nepalese Commercial Banks successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dhruba Subedi and submit the thesis for evaluation and viva voce examination.

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APPROVAL SHEET

We have examined the dissertation entitled “**Green Banking Practices and Perceived Performance of Nepalese Commercial Banks**” presented by Urmila Lama for the degree of Master of Business Studies (MBS) semester. We hereby that the dissertation is acceptable for the award of degree.

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ABBREVIATIONS

ADBL	Agriculture Development Bank
CRP	Customer Related Practices
CSR	Corporate Social Responsibility
ERP	Employee Related Practices
ESG	Environmental, Social, and Governance
ESRM	Environmental and Social Risk Management
GB	Green Banking
GBDI	Green Banking Disclosure Index
ICT	Information and Communications Technology
IDRBT	Institute of Development and Research in Banking Technology
NRB	Nepal Rastra Bank
OCB	Organizational Citizenship Behaviour
OE	Operational Efficiency
ORP	Operational Related Practices
PLS	Partial Least Square
PRP	Policy Related Practices
RBB	Rasriya Banijya Bank
SBI	State Bank of India
SEM	Structural Equation Model
SMEs	Small and Medium Enterprises
SMS	Short Messaging Services
SPSS	Statistical Package for the Social Sciences

ABSTRACT

Climate change is one of the most complex issues facing modern society. People today are increasingly aware of global warming and the effects it has on human life. The government, direct polluters, and other stakeholders, including financial institutions, are all concerned about it. As a result, banks are incorporating green practices into their operations, structures, and financing and investment plans. To ascertain the awareness and perception of bank customers and workers regarding Green Banking practices, a sample of 300 employees is chosen. A questionnaire is used to gather primary data, and both qualitative and quantitative data analysis methods are used to examine the results. According to the study's findings, banks invest considerably their time and resources in the awareness of the Green Banking practices however, consumers are not entirely aware of the Green Banking services and products available. That being said, the majority of the bank's staff members are fully aware of the Green Banking service and its offerings and agree that such practices save their time and helps in exhibiting organizational citizenship behaviour.

Keywords: Green Banking, employee related practices, operation related practices, customer related practices, policy related practices, operational efficiency

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Green Banking is not an entirely new subject and quickly becoming the industry standard as a means of implementing ecologically and socially responsible corporate practices. Go Green is the theme of the twenty-first century. With all the disasters like flood, extreme heat, storms that have impacted the world, people are being aware about the environment they live in. Concern for environment related issues is increasing globally and, recently, among enterprises and institutions, leading to the development of various means of evaluating it (Chen et al., 2022). Enterprises are now increasingly interested in establishing and implementing strategies that will help them to address environmental issues and also pursue new opportunities (IDRBT, 2013).

The term Green Banking is a broad term but at the end, it refers to banking operations carried out in such areas and in such a way as to contribute to the overall reduction of external and internal carbon emissions. It aims to make banking operations, physical infrastructure and the use of technology as efficient and effective as possible, with zero or minimal impact on the environment (Brar, 2016). Technology improvement has supported human beings, commercial enterprise entrepreneurs, and service carriers to undertake eco-friendly concepts, helped to reduce carbon emissions and had an effect on the environment (Campiglio, 2016). Now banks are highly reliant on the technology to survive in the fierce competition contributing to paperless banking, sustainable banking or ethical banking.

Green Banking is an umbrella term referring to practice s 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 (IDRBT, 2013)

“Green Banking” will ensure the greening of the industries but it will also facilitate in improving the asset quality of the banks in future. Banking and other financial institutions are more effective towards achieving this goal for the kind of intermediary

role they play in any economy and for their potential reach to the number of investors. Environment is no longer the exclusive concern of the government and the direct polluters, but also the other partners and stakeholders in the business. It would certainly give the much-needed impetus for the banking industry to expand the use of environmental information in their credit extension and investment decisions (Islam & Kamruzzaman, 2015).

Society is facing the most complicated issues of climate change. People nowadays are more conversant with global warming and its adverse consequences on human life. So, it is high time to bring changes to the policies in order to protect the environment in a sustainable manner as this is the need of the hour for the survival. It is not only the concern of the government and the direct polluters but also of other stakeholders like financial institutions such as banks, which are playing a fundamental role in development and response to the environment through “Green Banking” (Nath & Goel, 2014).

Green Banking manage environmental risk, the banks have to design proper environmental management systems to evaluate the risks involved in the investment projects. The risks can be internalized by introducing differential interest rates and other techniques. Moreover, banks can withdraw themselves from financing high-risk projects. The second component of Green Banking entails creating financial products and services that support commercial development with environmental benefits. These includes investment in renewable energy projects, biodiversity conservation, energy efficiency, investment in cleaner production process and technologies, bonds and mutual funds meant for environmental investments. (Bihari & Pradhan, 2011).

Green Banking allows for more efficient resource use and conservation. The banking sector may help save the environment by adopting eco-friendly measures. Banks offer loans for environmentally friendly initiatives and products at a concessional rate. Green Banking prioritizes ecological benefits and other environmentally friendly criteria, which results in lower lending interest rates. It creates a hygienic and clean atmosphere preservation of the natural order and preservation of the environment. (Biswas, 2011)

Several activities are identified as Green Banking practices around the world such as

online methods including Internet, SMS, ATM, cashless banking, mobile banking, online bank account opening, branchless banking, interbank electronic payment system, online bills payment, green debit and credit cards etc. The banks are also lending loans at discounted rate and investing on eco-friendly projects, greening their buildings and operations. (Park & Kim, 2020)

Banks contribute significantly to environmental deterioration by funding highly polluting businesses like steel, cement, and chemicals, although not being actively involved in industrial activity. Paperless banking is one of the green banking measures that SBI has put in place to lessen its carbon footprint and support environmental sustainability. By implementing green banking practices, clients may help save the environment. The report highlights how crucial consumer involvement is to these programs. By incorporating environmental concerns into their financial decisions, banks may play a significant role in advancing sustainable development, according to the report Deka (2015).

Benefits of Green Banking are immense as it avoids paper work as transactions or procedures are done online or electronically thus less cutting of trees. It also creates awareness to business people about environmental and social responsibility enabling them to do an environmentally friendly business practice. Loans are issued at comparatively lesser rate, the interest of that loan is comparatively less with normal banks because ethical banks give more importance to environmentally friendly factors - ecological gains (Mehtar, 2014).

Bangladesh Bank was the first financial institution to introduce the idea of Green Banking in a worldwide setting. Similar to how Laxmi Bank was the first bank in Nepal to pioneer the idea of Green Banking. Laxmi Bank was the first bank in Nepal to start implementing Green Banking strategies, focusing primarily on digitization through two core services: mobile money service and internet banking to avoid customer-counter delays and provide access to easy financing, and the Clean Energy Development Bank and Sanima Bank encourage hydropower investment and solar energy development funds to reduce energy (Mehta & Sharma, 2016).

The term Green Banking is now very popular worldwide. It is for preventing the environmental degradation and making this planet habitable. As it is an environmental

friendly practice, banking sector is started to practice Green Banking concept recently. Because, banking is never considered as a polluting industry, the present scale of banking operations has considerably increased the carbon footprint of banks due to their massive use of energy (e.g., excessive usage of lighting, air conditioning, electronic/electrical equipments, IT, etc.), high paper wastage, lack of green buildings, and etc. (Shaumya & Arulrajah, 2017).

According to Kala et al., (2020), 'Green Banking' practices of the banks positively influences bank's environmental performance. Also, Green Banking activities exhibit a significantly positive effect on banks' environmental performance and sources of green financing, and that sources of green financing significantly influence banks' environmental performance (Zhang et al, 2022). The majority of bankers In Nepal are aware of these practices, and the most often used Green Banking strategies in banks include online and mobile banking, paperless transactions, green savings accounts, and ethical banking and that 38.65% of bankers are prepared for these kinds of banking procedures in their institutions (Tandukar et al, 2021).

Hence, it shows that the importance of Green Banking practices has positively influenced the banking environment performance. Moreover, 'Green image' significantly affects bank trust and bank loyalty (Ibe-enwo et al, 2019). Thus, it is the way of the future; a source of sustainable development and will surely help banks, businesses, and the environment in general (Mir & Bhat, 2022).

1.2 Problem Statement

During the last few decades, governments, policy makers, corporate entities, and the general public have made the shift in society's focus towards environmentally friendly activities their top priority. Most of the Nepalese banks have started to promote Green Banking activities which is further supported by Covid pandemic.

But even after the pandemic and Green Banking initiatives, banks have been viewed as contributing to pollution through their operations and increasing emission of carbon dioxide via use of air conditions, lights, electronic and fuel equipment, high consumption of paper, financing environment polluting projects. Such problem impacts directly on the supply chain disruption and indirectly on the health leading to loss of man-hours and efficiency. Therefore, implementation of Green Banking has

become the need of the hour, promoting environment-friendly practices and reducing carbon footprints establishing the internal banking processes, physical infrastructure and information technology effective towards the environment. (Risal & Joshi, 2018)

With rapid development of technology and infrastructure in the communication sector of Nepal, many people now have latest gadgets and mobile phones with access to the internet. According to International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database, 51% of the population were using the internet by 2021. This increment in the accessibility to the technology will require talented, experienced staffs to provide proper services to customers. It is necessary to have loan officers with experience who have also worked with green companies and clients. There is a possibility of credit risk due to lending to those customers whose businesses are affected by the cost of pollution, changes in environmental regulations and new requirements on emissions levels. It is higher due to probability of customer default as a result of uncalculated expenses for capital investment in production facilities, loss of market share and third-party claims. The banks are ready to procure loans for environmentally sustainable projects like renovation of building, eco-friendly businesses, installing solar system, less use of energy business etc. Though the banks encourage the customers to take the environmentally sustainable projects, the customers are least interested in them. Thus, the statements of problem are:

- a) What are the Green Banking practices of Nepalese commercial banks?
- b) Does Green Banking practices and performance of the Nepalese commercial banks have any relationship?
- c) What are the influences of the Green Banking practice on perceived performance of Nepalese commercial banks?

1.3 Objective of the Study

The main goal of the study is to identify the current Green Banking practices of commercial banks in Nepal. The goal of the current study is to evaluate the subject of Green Banking by comparing the six commercial banks. The specific objectives of the study are given below:

- i. To assess the Green Banking practices in Nepalese commercial banks
- ii. To investigate whether there is any relationship between Green Banking

practices and performance of the Nepalese commercial banks

- iii. To analyse the influence of Green Banking practice on perceived performance of Nepalese commercial banks

1.4 Rationale of the Study

This research will help to identify the Green Banking practices of Nepalese Commercial banks and its impact on the perceived financial performance of those banks through the analysis of various Green Banking practices. It will also help to determine which Green Banking practices are more crucial in boosting the banks' financial sustainability.

The study will be useful for Nepalese commercial banks in determining how Green Banking practices affect in the perceived financial performance of the banks. It helps in understanding what Green Banking is and what actions should the banks take in order to benefit from the opportunities and overcome the challenges. It also supports bank policy makers in improving their strategy when it comes to Green Banking practices. Furthermore, government can get useful insights from this study that can be used to promote Green Banking practices. This study is also relevant from an academic standpoint and paves the way for future research in this and related fields.

1.5 Limitations of the Study

The purpose of the research is to maximise the likelihood of achieving the research goal. However, there are certain limitations that should be noted even though they do not support the findings.

1. The study's results cannot be fully generalised because it was conducted with a small population sample size.
2. Because the sample size was limited to a few chosen banks, the findings do not apply to the whole banking sector.
3. The convenience sample used in the study compromises its objectivity because it fails to consider customers' perspectives, which ought to be considered in further research.
4. Since the study was entirely dependent on closed-ended questions, only a limited amount of data was collected.

CHAPTER II

LITERATURE REVIEW

This chapter examines the Green Banking practices adopted by Nepalese banks, the relation between these practices and the perceived performance of the banks to justify the theoretical and methodological study. This chapter presents a thorough review of the literature on the various facets of the Green Banking system.

2.1 Conceptual Review

Green Banking as the financing activities carried out by banking and nonbanking financial institutions, which aim to lower greenhouse gas emissions and strengthen society's resistance to the negative effects of climate change while addressing other sustainable development objectives like economic growth, job creation, and gender equality (Park & Kim, 2020). The banks and other financial institutions are concentrating on environmental protection by being ethically and socially responsible (Tara et al., 2015).

Bose et al., 2018 claim the banking industry gradually adopts Green Banking practices by copying them and making them standard procedures. It shows the importance of Green Banking (Mir & Bhat, 2022) which is regarded as one method to ensure sustainability without having any negative impact on the environment. Nowadays, a large number of modern banks both domestically and globally are putting out significant and sincere effort to support various technologies in accordance with Green Banking efforts. Thus, Green Banking activities are a common trend in the current banking industry (Sun et al., 2020).

Many studies identified four key dimensions of Green Banking practices namely, policy related, customer related, employee related and daily operational related practices as claimed in their study by Malsha et al., 2020. These dimensions help in measuring the banks' Green Banking practices.

Stakeholders' perceptions of Green Banking behavior significantly influence banks' reputations, with government, customers, suppliers, employees, and competitors influencing green innovation in banking. The employee-related banking activities may enhance the banks' positive image. Employee education on environmental issues, such as paper conservation, energy conservation, the use of renewable energy sources,

reducing carbon emissions, etc., could be one of these initiatives and such actions improve the reputation and growth of banks (Khan et al., 2024).

According to Rehman et al., (2021), Green Banking prioritises the welfare of the community in which it works. In terms of the banks' day-to-day operations, Green Banking is the implementation of energy-efficient practices and the promotion of online banking methods to lower operating costs. However, if carried out more effectively, these interrelated tasks could result in reduced resource savings.

Green Banking is gaining popularity worldwide to prevent environmental degradation and make the planet habitable. However, current banking operations have increased their carbon footprint due to excessive energy use, high paper wastage, and lack of green buildings. As a result, the green bank is known for concentrating only on ecologically friendly banking methods. Banks can adopt different actions for the concerns of sustainability and environmental protection by going green with their corporate operations (Shaumya & Arulrajah, 2017).

The well-being of employees, customers, and future generation depends on the environmental standing and provision of climate-friendly products and services of banks (Park & Kim, 2020). Banks support the environment through lending money to clients who prioritise renewable energy sources and environmental conservation when it comes to customer-related green activities. Customers with proposals for climate-friendly initiatives, such as clean water programs, solar energy installations, smart city initiatives, and tree planting efforts, are sponsored by banks. With consultancies and other media outlets, banks also provide advice to these campaigns (Khan et al., 2024).

2.2 Green Banking Practices around the world

Bank policy design and implementation offer an additional viewpoint on green projects. Rehman et al. (2021) highlight that green policies in banks promote sustainable banking practices, offering an additional perspective on green projects. Hence, central banks, supervisors, and policymakers are implementing Green Banking initiatives to mitigate negative impacts. Private sector banks are developing climate strategies and implementing variety of green financial instruments to seize business opportunities (Park & Kim, 2020).

The application of Green Banking practices has been considerably aided by the

adoption of international standards and the implementation of regulatory rules and guidelines (Tiwari, 2024). There is an increasing number of countries that have interventions in the green bank policy. Many developed and developing countries have made it either mandatory or voluntary to implement the policies. Countries like Colombia, Mongolia, Pakistan, Belgium, Sweden, the UK, Norway, and the Netherlands follow the voluntary compliance of Green Banking guidelines. But many other countries like Nepal, India, China, Japan, France, Vietnam, Nigeria, Lebanon, Indonesia, and Bangladesh implemented Green Banking initiatives mandatorily (Park & Kim, 2020) in the table below.

Table 1

Green Banking policy interventions around the world

Country	Name of Institution	Type of Intervention	Concept	Code of Conduct
Developing countries	Bangladesh	Bangladesh Bank	1. Green central bank financing 2. Lending quotas 3. Environmental risk management guidelines	Mandatory
	Brazil	1. Banco Central do Brasil 2. Ministry of the Environment, Brazilian Federation of Banks	1. Resolutions 2. Protocol verde	1. Mandatory 2. Voluntary
	China	People’s bank of China; China Banking Regulatory Commission	Green credit guidelines	Mandatory
	Colombia	Asobancaria (Association of Banks)	Green protocol and	Voluntary

			environmental and social risk management guidelines	
India	Reserve Bank of India		Lending quotas	Mandatory
Indonesia	Otoritas Jasa Keuangan		Sustainable finance regulations	Mandatory
Lebanon	Banque du Liban		1. Green prudential regulation policy 2. Differential capital requirements for green projects	Mandatory
Mongolia	Mongolian Bankers Association; Bank of Mongolia		Sustainable finance principles	Voluntary
Nepal	Nepal Rastra Bank		Guideline on environmental & social risk management for financial institutions	Mandatory
Nigeria	Central Bank of Nigeria		Nigerian sustainable banking principles	Mandatory
Pakistan	State Bank of Pakistan		Green Banking Guidelines	Voluntary
Vietnam	State Bank of Vietnam		2015	Mandatory

			Directive; 2016 Circular; 2018 Scheme	
Developed countries	Belgium, Sweden, U.K.		Disclosure of climate-related financial risks	Voluntary
	France	Government authorities and regulators such as AMF	Disclosure of climate-related financial risks	Mandatory
	Japan	Bank of Japan	Green central bank financing	Mandatory
	The Netherlands	De Nederlandsche Bank	Consideration of ESG factors in asset eligibility criteria	Voluntary
	Norway	Norges Bank	Consideration of ESG factors in asset eligibility criteria	Voluntary

Table 1 (Park & Kim, 2020)

2.3 Green Banking Practices in Nepal

Within South Asia, Bangladesh has made significant strides in green finance, while Nepal, Sri Lanka and Pakistan are currently developing their green finance system and in process to implementing it. There are mostly regulatory driven policies on green finance activities UNDP (2021). Nepal Rastra Bank has published "Environmental and Social Risk Management (ESRM) Guidelines" as a mandated policy in 2018 and practice that serves as an action plan for green and sustainable banking.

NRB published the Green Finance Taxonomy in 2024 as well which provides a categorization of economic activities for environmental sustainability. It will help in identifying green investments, attract the investments for environmentally sustainable

ventures, reduce environmental and social hazards, support in policy developments and even create green jobs (Nepal Green Finance Taxonomy, 2024).

Since NRB issued ESRM guidelines, all the Banking and Financial Institutions (BFIs) are required to allocate a set proportion of total credit to priority sectors like agriculture, energy, SMEs, tourism etc. NRB has been instructing the BFIs to assess environmental impacts of projects with Environmental Impact Assessment (EIAs) for several years.

Moreover, Nepal has been a member of Better Than cash Alliance (BTCA) which is an alliance of governments, private sector and development organizations committed to accelerating the shift from cash to electronic payments (UNDP, 2021).

2.4 Empirical Review

Jodijanto et al. (2024) analysed bibliometric review of green financial services and associated risk management strategies to identify recent trends in sustainable practices, analyze the key concepts used, and evaluate the impact of these practices on economic, social, and environmental sustainability. The research was on bibliometric approach which indicated there are increased focus on research on sustainable banking practices. The use of green finance concepts, such as green bonds and environmentally friendly banking practices, as well as the integration of financial technology (fintech) have become significantly used terms recently. The COVID-19 pandemic has significantly impacted on green investment and environmental risk management strategies. While bibliometric analysis on published literature, it may not include important factors like economic fluctuations, technology advancements and other unpublished paper.

Ellahi et al. (2023) explored the development of Green Banking practices within the banking sector of Pakistan and examined individual's perception and response to the green practices as adopted by the banks and found customers are receptive of the change brought on by the banks' green initiative and are willing to adopt them. It indicates that the level of awareness of customers also played role because some are well informed while some lacked the knowledge. Meanwhile, the banks made significant changes in adoption of Green Banking practices and positively had an impact on behavior of the customers. This shows there are rooms for improvement for the banks to educate and market about Green Banking. The data extracted from survey

was only in one city and time to fill it was only four weeks so it limited the research.

Degryse et al. (2023) investigated the relationship between environmental consciousness of firms and banks and also how this consciousness is reflected in the pricing of bank credit. Its primary purpose is to see if the firms can secure the loans from the banks for being “green” after ratification of Paris Agreement in 2015. The findings suggest that the firms get loans at cheaper rate for being eco-friendly which means the banks’ lending behavior is also changed towards the firms that are green. It implies that, more firms may get cheaper loans in the future if they are environmentally sustainable. The limitation of this study is that the data obtained are from the period of 2011 to 2019 which restricts the result in the changing conditions of environmental policy.

Li, Y. (2023) explored the ways the South Asian banks can promote green economy and the findings were that banks can play a vital role in achieving the green targets considering the aspects such as urbanization, industrialization, and population expansion. This result shows that the banking institutions do contribute to promote sustainability, so the green finance has the potential to have more efficient and robust financial systems. Thus, it provides a strong evidence for policymakers, financial institutions, and the financial sector.

Islam et al., (2023) assessed the success of green accounting adoption by commercial banks in Bangladesh by collecting data from Bangladeshi banks and found that green accounting & environmental knowledge contribute to the current green accounting practices. There is even a positive correlation between the use of green accounting practices and the performance of the banks. However, the policy of Bangladesh bank had a little impact on the practices which is very interesting. It demonstrates that extending green accounting practice may improve green accounting performance in Bangladesh and boost the transactional efficiency.

Salsabila & Adhariani (2023) analyzed the green activities implemented by banks in Indonesia following a new regulation on sustainable finance and the role of slack resources to fund the initiatives and found although there has been sufficient disclosure of green practices, no meaningful correlation between the function of financial and possible spare resources was discovered. This illustrates that the organization's

resources may not have been allocated to support the green practices, and the green activities may not have been implemented sufficiently. The COVID-19 pandemic may have prevented the banks from allocating sufficient and suitable funds for green initiatives during the study periods.

Intani et al., (2023) explored the effect of Green Banking can be reflected in the green image, bank trust and bank loyalty. They found there is a substantial impact on bank trust and loyalty that affect the green image. This can be interpreted as the customers trusting the banks that considers the betterment of the society. Interestingly, the study found no significant direct relationship between bank trust and bank loyalty.

Chen et al. (2022) investigated an empirical study on the impact of Green Banking (GB) practices on the environmental performance of banks and their sources of green financing, specifically within the context of private commercial banks in Bangladesh. According to the study, GB's everyday operations and employee-related procedures at banks have a major positive impact on green financing. This implies that banks' capacity to successfully fund green initiatives is increased when they make investments in operational effectiveness and training. The study also found that banks' daily operation and policy-related practices of GB were observed to have significant impact but there is no statistically significantly impact on green financing by banks' customer-related GB practices. It shows the banks need to focus other areas of GB practices. Additionally, banks' green project financing revealed a strong and positive influence on banks' environmental performance.

Guang-Wen and Siddik (2022) examined the relationship between the environmental performance of banking institutions in Bangladesh, green finance dimensions, and Corporate Social Responsibility (CSR) practices. The study concluded that CSR practices have a positive influence on the environmental performance which suggests that banks do perform better environmentally and the social, economic, and environmental dimensions of green finance significantly influence the environmental performance of the banks. The result suggests that internal resources of banks should be strengthened particularly in CSR activities and green finance.

Deepthi and Jothi (2022) explored on customers' perspective on linkage between Green Banking and green loyalty and the impact between these two. The result was

there is a positive impact on green trust and image but there is no significant impact in green loyalty. It suggests that customers' perception improves on the banks' reputation and trustworthiness if the banks have eco-friendly practices but interestingly does not increase loyalty towards the bank. The study gives valuable insight into the perception of the customers but lacks economic conditions and demography of customers.

Mani, (2022) analyzed the sustainability reporting practices of top ten Indian banks and compared on four reporting principles: stakeholder inclusiveness, credibility, materiality, and sustainability. The author found that only four out of ten banks have adopted the international sustainability reporting framework, engaged their stakeholders, provided external audit assurance, and identified material issues in their sustainability reports. This indicates that there is a gap in compliance with the global standardized reporting that raises the questions on the credibility of lesser external audit assurance and engagement of stakeholders. This study focuses only ten banks which do not cover the entire banking sector in India with limited data.

Rajesh S. (2022) explored the opportunities and challenges linked with Green Banking initiatives in India. In this paper, the finding shows that the banks are becoming more aware of Green Banking practices. This shows the acknowledgement of Green Banking practices in financial institutions. There are also many opportunities like demand for green products, regulatory support and incentives, access to international markets etc. There were challenges like lack of sufficient consumer awareness, absence of standardized frameworks, financial constraints etc. The author recommended to work on these challenges to overcome all the barriers. The research, however, lacks empirical data to support the findings.

Sharma and Choubey (2021) explored and analyzed the Green Banking initiatives within the Indian banking sector and found that there is a growing trend of Green Banking engagement that are implemented in daily operations. The banks are now focusing on adopting eco-friendly practices and contributing to the society as Corporate Social Responsibility (CSR). These practices, according to the result, can improve brand of the banks and influence customers' trust positively. The limitation of this study, however, is its qualitative nature.

Yang et al. (2021) examined the interactions between green finance and fintech and how they support China's high-quality economic development. This article also investigated how technological advancements in finance might enhance financial inclusion and make investments in sustainable projects easier. The study concluded there is a positive correlation between green finance and high-quality economic development and both green finance and fintech significantly influenced the quality of economic development. The paper also suggested policymakers to integrate fintech development with green finance, create a conducive environment for innovation in financial technology of green finance and developing medium- and long-term favorable policies.

Alshebani (2021) examined the Green Banking practices in Saudi banks to investigate if there is a positive relation between sustainable banking practices and banks' employees' behavior. The study found out that there is a significant positive relationship between Green Banking practices and the banks' green image which indicates the more implementation of Green Banking practices, the more reputation of the banks is increased. Moreover, the study revealed that green behaviour of employees is affected by Green Banking practices directly however, employees' Green Banking behaviour does not mediate the relationship between Green Banking practices and the banks' green image which is very interesting as employees' behaviour is voluntary which might affect how seriously employees engage with these initiatives. The limitation of this study is that the employees' green behavior is often voluntary rather than compulsory and might affect the seriousness to follow it and may distort the result.

Kunhibava et al., (2019) summarized the main Green Banking frameworks issued by each country's respective regulatory authority or banking association and possible reasons why the six Asian countries Bangladesh, Cambodia, China, Indonesia, Mongolia and Vietnam have established such a framework, mainly focusing on China and Bangladesh. The researchers found that the six Asian nations have developed unique Green Banking frameworks that are suited to their own national agendas. Bangladesh and China have strong foundations that improve the overall effectiveness of their banking industries while simultaneously fostering environmental sustainability with positive environment impact. Despite the result, some challenges were faced like

lack of awareness among stakeholders, inadequate regulatory backing and the requirement for better incorporation of Green Banking practices into the whole banking. While these two nations have been the focus of the study, it is also a major limitation. Another limitation is the qualitative analysis of the study.

Deka (2015) evaluated the Green Banking initiatives made by State Bank of India (SBI) in Assam in “Green Banking Practices: A Study on Environmental Strategies of Banks with Special Reference to State Bank of India”. He found that there is a positive impact of Green Banking practices on the bank’s environment as well as improved operational efficiency. This indicates that the bank’s green initiatives brought significant environmental benefits engaging customers’ participation with positive impact on its business and the social responsibility. Since the research was primarily focused on only one state and a bank, it is difficult to generalize the result with other states and banks.

Table 2

Summary of Empirical Review

S.N.	Author	Objectives	Methodology	Findings
1	Judijanto et al. (2024)	to identify recent developments in this domain, analyze the key concepts used, and evaluate the impact of these practices on economic, social and environmental sustainability	a bibliometric approach	are increased focus on research on sustainable banking practices, trends of using green finance concepts, COVID-19 pandemic has significantly impacted on green investment and environmental risk management strategies
2	Degryse et al. (2023)	investigate the relationship between the environmental consciousness of firms and banks and how this	Data collection, regression model, robustness	Green firms get cheaper loan but only after Paris Agreement and shows the firms’ environmental

		consciousness is reflected in the pricing of bank credit.		attitudes can affect the pricing of the banks' credit
3	Abor et al. (2023)	analyze the sustainability reporting practices of the Indian banking sector	Comparative Framework of the various sustainability reports	Only four out of the 10 banks have adopted the international sustainability reporting framework, engaged their stakeholders, provided external audit assurance, and identified material issues in their sustainability reports
4	Li, Y. (2023)	Examine the role of banking sector in green economic growth & provide information for future policies and practices	Data Envelopment Analysis	Banks play a crucial role in contribution of green economic growth and green finance that leads to more efficient and resilient financial systems
5	Islam et al., (2023)	to evaluate the success of green accounting techniques implemented by Bangladeshi commercial banks	Structure Equation Model	Knowledge on green accounting and environmental contribute significantly to the present green accounting practice in Bangladesh & positively correlate to

				the financial performance
6	Salsabila & Adhariani (2023)	to evaluate the green activities implemented by banks in Indonesia, particularly in response to new regulations on sustainable finance	Combination of data collection from a sample of 35 banks and a structured evaluation of bank disclosures using the GBDI	no meaningful correlation between the function of financial and possible spare resources
7	Intani et al. (2023)	to investigate the effects of Green Banking, green image, and bank trust on bank loyalty	Structural Equation Modeling analysis approach with the Smart PLS 3.0 analysis tool	a direct and significant positive impact on green image, bank trust, and bank loyalty
8	Chen et al. (2022)	to provide a comprehensive understanding of how Green Banking practices can enhance environmental performance and facilitate green financing in the banking sector of Bangladesh.	a combination of exploratory research design, survey methodology, a substantial sample size, structural equation modelling and tested the hypothesis.	Banks' employee and daily operational practices significantly impact green financing, the banks' customer-related green financing practices did not significantly influence green financing, Green project financing significantly enhances their environmental performance.

9	Zheng Wen & Abu Bakkar (2022)	Guang-Siddik to identify the relationship between Corporate Social Responsibility (CSR) practices, green dimensions, and the environmental performance of banking institutions in Bangladesh	to identify the non-probabilistic convenience sampling method and analyzed using the Structural Equation Modeling (SEM) approach	Positive Influence of CSR. The social, economic, and environmental dimensions of green finance significantly influence the environmental performance of banking institutions.
10	Pawar & Munuswamy (2022)	explore the bank customers' perceptions towards Green Banking practices	Structural Equation Modeling (SEM)	Positive Influence on Green Image and Trust but No Significant Effect on Green Loyalty
11	Rajesh, S. (2022)	Assess the current banking practices, identify opportunities & challenges	Literature review	Increased recognition of Green Banking practices in financial institutions
12	Ellahi et al. (2021)	to identify the progress of Green Banking practices in the banking sector in Pakistan	Structural Equation Model (SEM) is used as a measurement model	Customers' awareness varied but they preferred Green Banking practices. Marketing and education on Green Banking practices are needed by the banks
13	Alshebami (2021)	To investigate Green Banking practices' relevance among banks in Saudi Arabia and their effect on the Saudi banks' green image with	structural equation modeling partial least square (PLS)	positive relationship between Green Banking practices and the green image of Saudi banks. Green Banking practices

		the mediating effect of the employees' green behaviour.		have a direct effect on employees' green behavior, but no mediating effect on banks' green image
14	Sharma & Choubey (2021)	understand and analyze the Green Banking initiatives in Indian banking sector's	qualitative research methodology comprising of semi-structured in-depth interviews	a growing trend towards sustainability with implementation of green practices that helps in brand image & trust
15	Yang et al. (2021)	examine the effect of green finance and fintech on high-quality economic development	panel regression analysis	green finance comprehensively facilitates high-quality economic development by positively affect ecological environment, economic efficiency, and economic structure.
16	Kunhibava et al., (2019)	to investigate and summarize the Green Banking systems formed in six Asian nations, with a focus on China and Bangladesh.	Literature review, comparative analysis, case studies and impact assessment	encourage environmental sustainability while simultaneously increasing the banking industry's overall efficiency.

17	Deka (2015)	to highlight the Green Banking initiatives made by SBI in Assam	structured questionnaires for primary data & different relevant books, journals, newspapers and published reports of the State Bank of India and Reserve Bank of India for secondary data	there is a positive impact of Green Banking practices on the bank's environment as well as improved operational efficiency.
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2.5 Research Gap

The underlying understanding and expertise required to offer this study meaning and purpose have improved as a result of the analysis of relevant literature. Numerous studies are carried out on the cash management, inventory control, lending practices, and financial performance of different commercial banks. But there are insufficient researches conducted on the bank's perceived performances. Previous researches on the financial performance of banks focused on limited ratios, which only explored the profit making, investment decisions that are unable to address the problems. There are not sufficient assessment of the state of Green Banking practices and their impact on Nepali commercial banks' perceived performance in the years following the COVID-19 pandemic. In reality, a variety of factors influence how the performance management is regarded. This study uses a variety of data, trend analysis and statistical tools to measure the commercial bank's perceived performance.

The majority of studies conducted in foreign nations such as China, Bangladesh, India, and the West have addressed or concentrated on Green Banking practices as factors that affect banks' sustainability. To the best of the researcher's knowledge, however, quite few studies have examined banking sustainability in Nepal in relation to their Green Banking practices. In addition, studies that focus on sustainability are addressing new and developing problems in organisational management around the world. In light

of this, the current study, which is also noteworthy, explores the connection and influence between Green Banking practices and the sustainability of banks in Nepal. This effort to close the gap is worthwhile.

CHAPTER III

RESEARCH METHODOLOGY

The study must employ a certain research methodology in order to meet its goal. The purpose of this chapter is to outline the research methods that were employed. It discusses the kind of research design that was used, the population and sample, the sampling procedure, the data source, the data collection methods, and the analytical tools to examine the data and establish the connection between Nepal's commercial banks' perceived performance and Green Banking practices.

3.1 Research Design

The purpose of research design is to control variation and find a response to the study question. It contains the investigation's plan, structure, and strategy (Kerlinger, 1980). This research design is to evaluate the Green Banking practices of a few Nepali commercial banks. The study has examined the Green Banking practices and perceived performance of employees in ADBL, RBB, Laxmi Sunrise, Global IME bank, Sanima Bank and NIC Asia bank.

The study included both descriptive and causal comparative research designs. The entire research is carried out by collecting primary data. Employees completed a questionnaire that was used to gather primary data. The survey, which was limited to employees of particular institutions, was easy to use and comprehend for employees at all levels.

3.2 Population and sample

The population of the study constitutes Manager, Officer and Assistant level employees working in six banks. It constitutes the employees working in both corporate and branch offices of the banks. Among the six banks, there are two government banks (i.e. ADBL and RBB) and four private banks (i.e. Laxmi Sunrise, Global IME bank, Sanima Bank and NIC Asia bank) are taken for research study. 300 employees of six banks are considered for this study. The reason to select these two government banks and four private banks are for different reasons. Agricultural Development Bank Limited (ADBL) plays a vital role in supporting Nepal's agricultural sector and rural finance. Rastriya Banijya Bank (RBB) is the government

owned largest commercial bank in Nepal and has a vast branch network with the largest turnover. Laxmi Sunrise bank is a leader in promoting eco-friendly practices and sustainability in private bank industry while Sanima bank is operated by non-resident Nepalese whose principles and operational approach is open for the study. Both Global IME bank and NIC Asia has extensive branches all over Nepal with customer centric services and financial performances.

3.3 Sampling Technique

This research questions were distributed to the employees of six banks. This technique was appropriate for the study due to time as well as resource constraint. Questionnaire were distributed to respondents through emails and social medias.

3.4 Sources of Data

The questionnaire was distributed to respondents through emails and social medias. Primary sources of data were used in this research. The questionnaire was developed in Google forms and requested the respondents via online medium as well as printed questionnaire.

3.5 Data Collection and Processing Procedure

The data was collected by distributing the questionnaire through online medium Google form. The data was also collected in the physical presence of respondents by distributing the printed questionnaire. The questionnaire is organized and includes a Likert scale and single responses. Finally, the relationship between Green Banking practices and the perceived performance will be measured by the numerical finding using relevant parameters.

3.6 Data analysis tools and techniques

Using quantitative data analysis techniques, the gathered data was examined. Tables containing quantitative data were created using descriptive analysis techniques like frequencies and percentages. For analysis, the Statistical Package for Social Science (SPSS Tools) was used to code and input the questionnaire data. Standard deviations, correlations, and frequency distributions of each independent and dependent variable are computed using the regression model in relation to the four independent variables. The three descriptive statistics that are most frequently employed are the mean,

percentage, and standard deviation. In this study, measures of central tendency were employed to describe the data. Finally, using the proper parameters, the numerical results have measured the association between perceived performance and Green Banking practices.

The questionnaire was divided into two pieces. The first section's questions focus on the demographic profiles of the respondents, including their age, gender, level of education, occupation, and work history. The remaining section consists of questions that measure the independent and dependent variables. Through social media, emails, and printed questionnaires, the respondents received the questionnaires. On the questionnaire page, respondents were given a clear explanation of the study's purpose. The survey asked respondents to rate how much they agreed or disagreed with a series of statements using a five-point Likert scale. Every scale item response is categorised, with 1 denoting "Strongly Agree" and 5 denoting "Strongly Disagree."

3.6.1 Statistical tools

Some important statistical tools have been used to present and analyze the data for achieving the objectives such as coefficient of correlation between different variables, trend analysis which are presented below.

- i. Correlation Analysis
- ii. Regression Analysis

i. Correlation analysis

To determine if the chosen variables in a time series have any relationship at all, correlation analysis is required. This test is required since causality would not exist in the absence of correlation. A measure of the relationship between two or more variables is called correlation. -1.00 to +1.00 is the range of the measuring scales. For a perfect negative correlation, the number is -1.00, and for a perfect positive correlation, it is +1.00. A correlation is absent when the value is 0.00 or very near to zero. When the value of r falls between +1 and -1, it indicates a perfect negative correlation between the variables, while $r = +1$ indicates a perfect positive correlation. But in reality, values of r like +1, -1, and 0 are uncommon.

ii. Regression analysis

In a simple regression analysis, one dependent variable is examined in relation to only one independent variable. The analysis is designed to derive an equation for the line that best models the relationship between the dependent and independent variables.

This equation has the mathematical form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_p X_p + e_i \dots \dots \dots (i)$$

where, Y = the predicted value of the dependent variable

X₁, X₂, ..., X_p = value of independent variables

α = value of Y when all of the independent variables (X₁ through X₂) are equal to zero (Y-intercept)

$\beta_1, \beta_2, \dots, \beta_p$ = the estimated regression coefficients (population slopes)

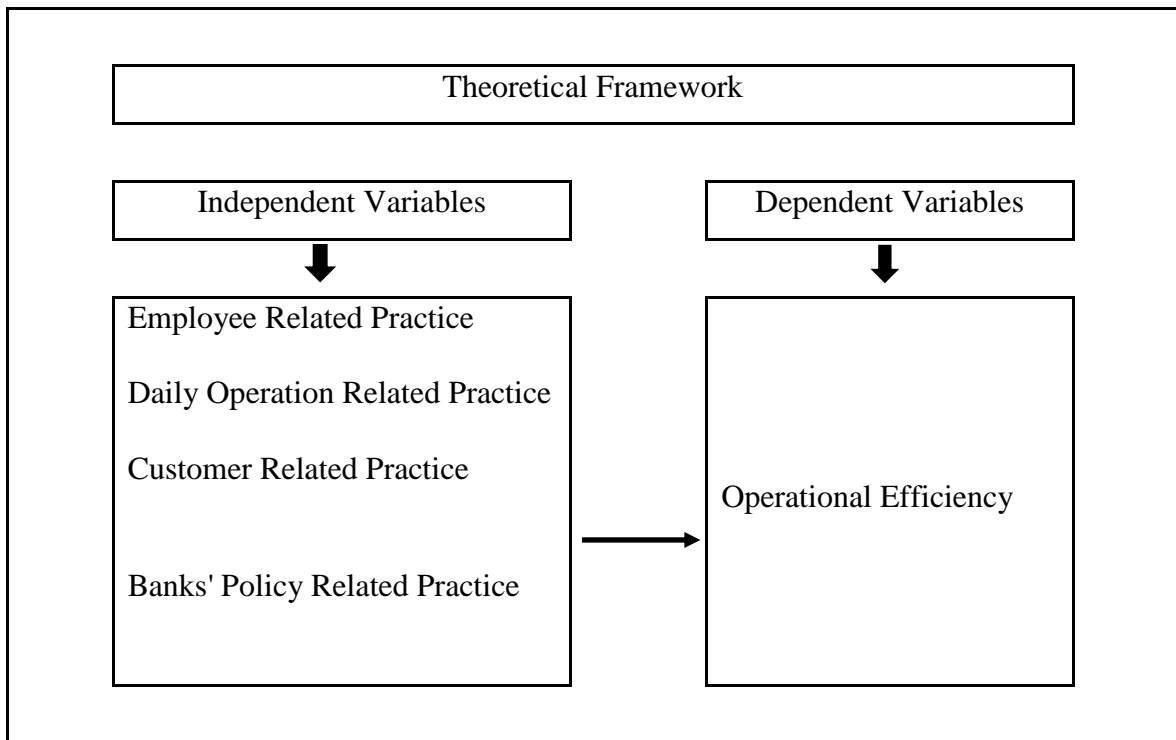
e_i = Error Factor

3.7 Conceptual Framework

A theoretical framework specifies which key variables influence a phenomenon of interest and highlights the need to examine how those key variables might differ and under what circumstance. The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory that explains why the research problem under study exists. The following conceptual framework is proposed on the basis of above empirical and theoretical findings. The mentioned literature is heavily incorporated into the model. This study specifically looks at the employees' knowledge, their willingness to learn, banks' initiatives for Green Banking practices, policies, habits, customers' awareness to make impact on the operational efficiency of the bank.

Figure 1

Theoretical Framework of the Study



Source: Shaumya & Arulrajah (2017)

Noor et., al (2023) stated that there is much emphasis on the growing importance of Employee related GB practices in businesses, especially when considering environmental responsibility and sustainability. It highlights how crucial GB is to helping staff members develop a sustainable culture. Employee engagement has a crucial role in improving organisational success, according to the research. Management must prioritise engaging people since they are more likely to be dedicated, productive, and in line with the organization's objectives. The idea of transformational leadership is introduced, and it is typified by leaders who encourage and inspire their staff. It implies that this kind of leadership can have a big impact on both employee engagement and how well GB practices work. Khan et al., (2023) suggests that banks are concentrating on employee-related procedures, like training courses that encourage employees to be more environmentally conscious, as this improves the bank's standing and operational effectiveness.

Green financing sourcing is another aspect of daily operations that is greatly impacted by the implementation of Green Banking methods. This includes capital for sustainable infrastructure and renewable energy projects (Appah et al., 2024) (Jain & Sharma, 2023). According to Jain and Sharma (2023), banks that include green financing into their operations not only improve their performance but also increase customer loyalty and trust, which boosts profitability. The State Bank of India (SBI) has been actively promoting Green Banking practices in its daily operations, despite facing severe environmental issues. In response, the SBI introduced the Green Banking Guidelines (GBG) in 2017, aiming to transform the national economy and acknowledge the role of the financial sector in transitioning to a low-carbon, climate-resilient economy. The GBG focuses on minimizing personal impact, supporting green businesses, and managing environmental risks. The SBI enforces the GBG across commercial banks, requiring clear environmental requirements and risk assessments.

Another factor is customer related GB practices. A major factor influencing the implementation of Green Banking practices is customer awareness. According to research, greater awareness encourages more people to take part in sustainable banking efforts (Suresh & Pratap, 2024). This is also supported from the study by Dang et al., (2023) that the consumers understand the value of Green Banking, even though their awareness may be limited.

Green Banking practices include a variety of operational plans and regulations to improve green financing and lessen its negative effects on the environment. According to research by Mandagie et al., (2024), successful Green Banking models prioritise sustainability in banking operations and products and include stakeholder responsibility. Chen et., al (2022) also proved from their study that the policy-related practices of GB were found to have significant impacts on banks' environmental performances.

CHAPTER IV

RESULTS AND DISCUSSION

The purpose of this chapter is to examine how the bankers of the chosen commercial banks feel about their Green Banking practices. This analysis holds significance from the perspective of service providers. Although the actual beneficiaries represent the views of the commercial banks' Green Banking system, a study has been conducted to determine the extent to which the commercial banks in the study area are offering Green Banking to their clients. The primary focus of this chapter is the analysis and interpretation of data that was gathered from over three hundred employees of six commercial banks. The information collected from various sources was examined and interpreted using four dimensions: bank policy related practices (PRP), customer related practices (CRP), daily operation related practices (ORP), and employee related practices (ERP).

To do this, the researcher created distinct surveys to get the bankers' opinions from the chosen commercial banks. By means of a questionnaire, this chapter discusses the attitudes of bankers and customers regarding the Green Banking system. This includes a series of closed-ended questions created as a research tool and is included in the appendix. The closed ended questions related to the impact of Green Banking practice with its four variables were analyzed on a five-point Likert scale i.e. strongly agree, agree, neutral, disagree, and strongly disagree. Tools from the Statistical Package for Social Sciences (SPSS) application were used to analyse the data. The information is displayed in tables, starting with demographic factors and moving on to research questions that are developed to direct the study. The demographic background of the respondents was examined in the first section of the chapter, with particular attention paid to employment position, gender, age, educational background, and work history. The study's results were given in the second section in light of the research question.

4.1 Results

The study gathered data from bankers of selected banks, analyzed it using specific research methodologies related to Green Bank. The necessary results, deductions, and analysis findings are derived in this, the thesis's most crucial and fundamental section. These are the elements considered when assessing how commercial banks contribute

to environmental protection. This chapter will conclude with a presentation of the study's main findings, which include data presentation and analysis. The information below provides these specifics.

4.1.1 Demographic characteristics of respondents

The study collected information on demographic characteristics. Detailed results on each of the demographic characteristics are presented.

Table 3

Demographic characteristics

Variables	Classification	Frequency	Percent
Gender	Female	223	63.00%
	Male	131	37.00%
Age group	Below 25	33	9.30%
	25 - 35	205	57.90%
	36 - 45	107	30.20%
	45 - above	9	2.50%
Education Qualification	Above Bachelors	303	85.60%
	Bachelors	51	14.40%
Job Position	Assistant level	72	20.30%
	Manager level	105	29.70%
	Officer level	177	50.00%
Working Experience in banking industry	5 -10 years	204	57.60%
	Above 10 years	54	15.30%
	Less than 5 years	96	27.10%
	Total	354	100%

Source: Field Survey, 2024

There are 354 people in the dataset, 63 percent of whom are female and 37 percent are male. The age distribution reveals that the majority of people (57.9%) are between the ages of 25 and 35, followed by those between the ages of 36 and 45 (30.2%), those

under 25, 9.3%, and a tiny percentage above 45 (2.5%). The vast majority of them (85.6%) have education higher than a bachelor's degree, with only 14.4% having a bachelor's degree. The percentage of jobs at the officer level is 50%, management level is 29.7%, and assistant level is 20.3%. Most people have 5–10 years of work experience in the banking sector (57.6%), followed by less than 5 years (27.1%) and more than 10 years (15.3%).

4.1.2 Descriptive analysis

In quantitative analysis, descriptive statistics are essential because they offer concise descriptions of measurements and data. They are logically presented in accordance with the goals of the study and simplify vast amounts of data, such as mean, standard deviation, and correlation. For example, questions were scored on a five-point Likert scale, which let researchers better understand respondent behaviour by analysing data based on frequencies and percentages.

4.1.2.1 Descriptive Statistics of Green Banking on Employee Related Practice

Table 4

Descriptive Statistics of Green Banking on Employee Related Practice

Code	Items	N	Min	Max	Mean	S.D.
ERP1	My bank provides training and education to the staffs on environmental protection, energy saving etc.	354	1	5	3.70	0.903
ERP2	When it comes to hiring and selecting staff, my bank uses green methods (online advertisement tools, email, phone, and online interviews).	354	1	4	4.28	0.736
ERP3	My bank allows us to work remotely.	354	1	5	3.36	0.981
ERP4	Employees at our bank regularly engage in green training initiatives.	354	1	5	3.68	0.899
ERP5	My bank organizes or encourages green commuting practices such as cycling, carpooling, walking.	354	1	5	3.81	0.830
ERP6	My bank has green team that encourages, monitors all green practices within the offices/branches.	354	1	5	3.03	0.858

Based on the answers of 354 participants, the data offers insights into a variety of green and environmental initiatives within the bank. With an average score of 3.70, the bank's initiatives to offer education and training on energy saving and environmental preservation are well received. However, as seen by a lower mean score of 2.28, the green team within bank is less frequently used. Remote work is moderately allowed, with a mean score of 3.36. The bank also encourages training and commuting practices, with a mean score of 3.68 and 3.81 respectively. The highest mean score of 4.28 is for the hiring and selection via online tools.

4.1.2.2 Descriptive Statistics of Green Banking on Daily Operation Related Practice

Table 5

Descriptive Statistics of Green Banking on Daily Operation Related Practice

Code	Items	N	Min	Max	Mean	S.D.
ORP1	My bank has the branch/branches that are environmentally sustainable i.e. energy efficient, environmentally-friendly buildings.	354	1	5	3.18	1.017
ORP2	My bank purchases items such as stationeries, equipments and other items from environment-friendly companies.	354	1	5	2.90	0.823
ORP3	My bank has initiatives to reduce paper usage and other waste materials.	354	1	5	2.29	0.69
ORP4	My bank has recycle programs for paper, plastic, equipments and other waste materials.	354	1	5	3.01	0.911
ORP5	My bank uses energy saving measures such as LED lights, solar panels, battery storage, EV charging facilities etc.	354	1	5	3.19	0.661
ORP6	My bank conducts online meetings instead of having physical ones in order to promote Green Banking.	354	1	5	2.34	0.68

The table shows that the respondents are in disagreement that their bank buys products from eco-friendly businesses with mean value at 3.9 and has branches that are

environmentally sustainable at mean score of 3.18. The bank's efforts to cut back on paper use is at mean score of 2.29 and recycling programs with 3.01 are less widely supported, though. In terms of promoting Green Banking through online meetings (mean = 2.34, S.D. = 0.68), there is the least amount of agreement and energy-saving measures (mean = 3.19, S.D. = 0.661) is agreed more than that.

4.1.2.3 Descriptive Statistics of Green Banking on Customer Related Practice

Table 6

Descriptive Statistics of Green Banking on Customer Related Practice

Code	Items	N	Min	Max	Mean	S.D.
CRP1	My bank offers Green Banking products and services such as green savings, green loans, green bonds etc.	354	1	5	2.86	1.074
CRP2	My bank offers incentives, rewards and discounts to customers for usage of Green Banking products and services.	354	1	5	3.65	0.885
CRP3	My bank participates in collaborations and environmental programs that benefit the community.	354	1	5	3.11	1.044
CRP4	Green Banking products/services are more in demand by customers.	354	1	5	3.44	0.923
CRP5	My bank provides AI and automation services like chatbot, automated inquiry service etc.	354	1	5	2.08	0.773
CRP6	Customers are aware about Green Banking products and services.	354	1	5	3.12	0.901

There is moderate agreement among participants that their bank engages in environmental activities that help the community (mean = 3.11, S.D. = 1.044) and provides Green Banking goods and services (mean = 2.86, S.D. = 1.074). Both the

demand for Green Banking products (mean = 3.44, S.D. = 0.923) and the bank's offering incentives for utilising them (mean = 3.65, S.D. = 0.885) are more widely agreed upon. On the delivery of automation and AI services, there is less consensus (mean = 2.08, S.D. = 0.773). Finally, participants (mean = 3.12, S.D. = 0.901) agree moderately that consumers are aware of Green Banking services and products. This suggests that while some green initiatives are recognized and valued, there is potential for enhancing AI services and increasing awareness further.

4.1.2.4 Descriptive Statistics of Green Banking on Policy Related Practice

Table 7

Descriptive Statistics of Green Banking on Policy Related Practice

Code	Items	N	Min	Max	Mean	S.D.
PRP1	My bank has environmental (green) policy to support sustainable environment.	354	1	5	3.47	0.946
PRP2	My bank runs workshops, seminars, campaigns on the benefits of Green Banking practices.	354	1	5	2.87	0.672
PRP3	My bank prioritizes in funding environmentally friendly businesses and energy-efficient industries.	354	1	5	3.51	0.856
PRP4	My bank contributes in environment related projects via CSR.	354	1	5	2.46	0.838
PRP5	My bank examines environmental issues and evaluates the environmental risks associated with bank-financed projects and businesses across many industries and locations.	354	1	5	3.6	0.761
PRP6	My bank does the Green marketing strategy.	354	1	5	2.34	0.78
PRP7	There is a reduce, reuse and recycle strategy within my bank.	354	1	5	2.72	0.918
PRP8	My bank has set yearly target of achieving Green Banking practices.	354	1	5	3.6	0.86

The participants agreed (mean = 3.47, S.D. = 0.946) that their bank encourages funding environmentally friendly enterprises and has an environmental strategy to assist sustainability (mean = 3.51, S.D. = 0.856). There is broad agreement that the bank assesses environmental risks related to funded projects (mean = 3.6, S.D. = 0.761) and less on conduct workshops and campaigns on Green Banking practices

(mean = 2.87, S.D. = 0.672). However, opinions on the bank's green marketing tactics (mean = 2.34, S.D. = 0.78) and CSR contributions to environmental projects are less unanimous (mean = 2.46, S.D. = 0.838). Moderate agreement was also found with the bank's reduce, reuse, and recycle policy (mean = 2.72, S.D. = 0.918). Participants concur that the bank establishes annual goals to implement Green Banking practices (mean = 3.6, S.D. = 0.86). This implies that although the bank actively promotes and carries out green efforts, certain aspects, such marketing tactics and CSR donations, can be enhanced.

4.1.2.5 Descriptive Statistics of Green Banking on Operational Efficiency

Table 8

Descriptive Statistics of Green Banking on Operational Efficiency

Code	Items	N	Min	Max	Mean	S.D.
OE1	Green Banking practices minimize the costs of the banks.	354	1	5	2.24	0.704
OE2	Green Banking promotes better resource management, which enhances operational efficiency.	354	1	5	2.02	0.573
OE3	By using Green Banking, we can save time and focus on other projects.	354	1	5	2.85	0.547
OE4	Employee engagement in green practices contribute to innovative solutions.	354	1	5	2.24	0.730
OE5	Green practices also help to improve customer service efficiency.	354	1	5	2.14	0.697
OE6	Customer engagement helps the bank to create innovative green ideas.	354	1	5	2.02	0.623
OE7	Banks can avoid penalties and get rewards by using green practices to help them stay ahead of regulatory	354	1	5	2.37	0.654

	obligations.					
OE8	Green Banking techniques improve productivity by making us more efficient.	354	1	5	2.10	0.622
OE9	Employee absenteeism is lesser due to healthier work environment by adapting Green Banking practices.	354	1	5	2.42	0.738
OE10	Green practices help bankers to exhibit Organizational Citizenship Behaviour (OCB).	354	1	5	2.44	0.732

The table depicts that Green Banking techniques reduce expenses (mean = 2.24, S.D. = 0.704) and improve resource management (mean = 2.02, S.D. = 0.573), according to participants' low level of agreement. There is considerably more consensus (mean = 2.85, S.D. = 0.547) that Green Banking frees up time for other projects. Low agreement was found on the contribution of employee involvement in green practices to creative ideas (mean = 2.24, S.D. = 0.730) and increased customer service effectiveness (mean = 2.14, S.D. = 0.697). Likewise, there was little agreement among participants that green practices assist banks keep ahead of regulations and avoid fines (mean = 2.37, S.D. = 0.654) and that customer interaction fosters the development of creative green ideas (mean = 2.02, S.D. = 0.623). Employee absenteeism as a result of a healthier workplace (mean = 2.42, S.D. = 0.738) and perceived productivity gains through Green Banking strategies (mean = 2.10, S.D. = 0.622) were also modest. Last but not least, there is little consensus (mean = 2.44, S.D. = 0.732) that bankers who use green techniques are better able to demonstrate organisational citizenship behaviour.

Table 9*Descriptive Analysis of survey**N= 354*

Variables	Minimum	Maximum	Mean	Std. Deviation
ERP	1	5	3.4779	0.65131
ORP	1	5	2.8159	0.52847
CRP	1	5	3.0410	0.66959
PRP	1	5	3.1960	0.60014
OE	1	5	2.1836	0.51103

Table 9 depicts the minimum value, maximum value, mean, and standard deviation (S.D) of the variables. ERP has a minimum value of 1 and a maximum value of 5, with a mean of 3.4779 and a standard deviation of 0.65131. This indicates that, on average, ERP scores are moderately high, with some variability around the mean. ORP is with a mean of 2.8159 and a standard deviation of 0.52847. The mean suggests that ORP scores are slightly above the midpoint of the scale, with moderate variability. CRP has scores with a mean of 3.0410, and a standard deviation of 0.66959. This indicates that CRP scores are generally above average, with some spread around the mean. PRP scores with a mean of 3.1960 and a standard deviation of 0.60014. The mean suggests that PRP scores are relatively high, with moderate variability. OE has a minimum value of 1 and a maximum value of 5, with a mean of 2.1836 and a standard deviation of 0.51103. This indicates that OE scores are generally low, with some variability around the mean.

4.2 Measurement of Reliability

Reliability is the measure of internal consistency of the constructs in the study. A construct is reliable if the Alpha (α) value is greater than 0.70 (Hair et al., 2013). Construct reliability was assessed using Cronbach's Alpha. The results revealed that the Employee Related Practice with Cronbach Alpha 0.842, Daily Operation Related Practice 0.732, Customer Related Practice 0.807, Banks' Policy Related Practice 0.868 and Operational Efficiency 0.923 were found. Table 8 shows that all constructs crossed the cut off value of 0.70 for Cronbach's alpha and composite reliability, indicating that construct reliability has been established. The results are summarized in table 10 below:

Table 10*Reliability Statistics*

Variables	No. of Items	Cronbach's Alpha
Employee Related Practice	6	0.842
Daily Operation Related Practice	6	0.732
Customer Related Practice	6	0.807
Banks' Policy Related Practice	8	0.868
Operational Efficiency	10	0.923

4.3 Correlation Analysis

The correlation evaluates the degree of association and the direction of the relationship between two variables (Asuero et al., 2006). This section deals with to the degree of extent that variables under study are correlated to each other. A greater correlation score indicates that the two sets of data are more associated. When the correlation is 1 or -1, there is a perfectly linear positive or negative relationship; when it is 0, there is no relationship at all; when it is greater than 0, there is a positive relationship; and when it is less than 0, there is a negative relationship Pearson correlation was used for all independent and dependent variables. The Pearson correlation result of the study has been presented in the following table:

Table 11*Correlation Analysis*

		OE	ERP	ORP	CRP	PRP
OE	Pearson Correlation	1				
ERP	Pearson Correlation	.407**	1			
ORP	Pearson Correlation	.433**	.710**	1		
CRP	Pearson Correlation	.444**	.705**	.663**	1	
PRP	Pearson Correlation	.492**	.759**	.674**	.781**	1

***. Correlation is significant at the 0.01 level (2-tailed)*

Where ERP: Employee Related Practices, ORP: Daily Operation Related Practices, CRP: Customer Related Practices, PRP: Bank Policy Related Practices and OE:

Operational Efficiency.

The findings showed that all independent variables were strongly linked with the use of perceived performance. At a significance level of 0.01 the Pearson correlation (r) value for Operational Efficiency and Employee Related Practices, Daily Operation Related Practices, Customer Related Practices, Bank Policy Related Practices are 0.407, 0.433, 0.444 and 0.492 respectively with $p = 0.000$. This demonstrates a positive relation between these factors.

There is a moderate positive correlation between OE and ERP ($r = 0.407$), suggesting that as ERP increases, OE also tends to increase. There is also a moderate positive correlation between OE and ORP ($r = 0.433$), indicating that higher ORP is associated with higher OE. There is a moderate positive correlation between OE and CRP ($r = 0.444$), showing that increases in CRP are related to increases in OE. Now between OE and PR, there is a moderate to strong positive correlation ($r = 0.492$), suggesting a stronger relationship between PRP and OE compared to the other variables.

4.4 Regression Analysis

While correlation analysis only measures the strength and direction of the relationship between two variables, regression analysis allows us to predict the value of a dependent variable based on the value of one or more independent variables. A correlation study can only reveal whether two variables are statistically related. Despite the fact that a correlation coefficient indicates a strong relationship between two variables, the details of that relationship cannot be determined. In this case, regression analysis provides more information about the slope of the relationship. It is used to describe the characteristics of a connection and predict results.

Linear regression analysis was conducted to detect the relationship between the independent variable (Employee Related Practices, Operation Related Practices, Customer Related Practices, Policy Related Practices) and dependent variable (Operational Efficiency). The advantage of conducting linear regression analysis included the ability to evaluate multiple independent variables that simultaneously affect the dependent variables. It gives us further details regarding the relationship's slope.

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e_i \dots \dots \dots (i)$$

where,

Dependent variable:

Y = Operational Efficiency

Independent variables:

X1 = ERP = Employee Related Practices

X2 = ORP = Operation Related Practices

X3 = CRP = Customer Related Practices

X4 = PRP = Policy Related Practices

α = constant

$\beta_1, \beta_2, \dots, \beta_5$ = Coefficient of slope of regression model

e_i = Error Factor

Table 12

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 ^a	0.509	0.504	0.44084

a. Predictors: (Constant), PRP, ORP, CRP, ERP

b. Dependent Variable: OE

R Square is a statistical measure that shows the percentage of the variance in the dependent variable which can be explained for by the model's independent variables (Wright, 1921). The table 10 shows the R² value has 0.509 which means that 50.9% of the variance in the dependent variable (OE) can be explained by the independent variables (ERP, ORP, CRP and PRP). Similarly, the adjusted R² is 0.504 which is slightly less than R square. It means that independent variable explained by dependent variable is 50.4%.

Table 13

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.294	4	17.574	90.445	.001
	Residual	67.826	349	0.194		
	Total	138.120	353			

a. Dependent Variable: OE

b. Predictors: (Constant), PRP, ORP, CRP, ERP

F value is used to determine whether the relationship is statistically significant or not, while Sig. (or p value) indicates the statistical significance of this fit. With a p-value of 0.001 which is less than 0.05 and an F-value of 90.445, the regression model is statistically significant. This implies that a sizable amount of the variance in OE can be explained by the predictors taken together. The regression sum of squares is 70.294, the residual sum of squares is 67.826; the total sum of squares is 138.120. The regression's mean square is 17.574, and the residual's mean square is 0.194. The substantial correlation between the predictors and the dependent variable is demonstrated by this analysis.

Table 14*Coefficient*

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	0.691	0.141		4.892	0.000
	ERP	-0.020	0.062	-0.026	-0.331	0.741
	ORP	0.166	0.067	0.171	2.454	0.015
	CRP	0.076	0.060	0.100	1.280	0.201
	PRP	0.271	0.072	0.318	3.772	0.000

a. Dependent Variable: OE

Table 12 shows that the results are based on regression analysis of primary data collected from 354 respondents who are currently involved in commercial banks by using linear regression model.

The above model is defined in linear form of regression as below:

Therefore,

$$\hat{Y} = 0.691 - (-0.020).X1 + 0.166.X2 + 0.171.X3 + 0.271.X4 + e_i$$

The model describes the link between the independent variables (Employee Related Practices, Operation Related Practices, Customer Related Practices, and Policy Related Practices) and the dependent variable (Operational Efficiency) based on the findings of the regression analysis. When all predictors are zero, the expected value of OE is 0.691, which is statistically significant ($p < 0.001$), according to the constant term (intercept), which is 0.691.

ORP and PRP are two of the predictors that significantly contribute to the model. In particular, ORP and OE appear to be positively correlated, with OE increasing by 0.166 units for every unit rise in ORP ($p = 0.015$). A strong positive correlation is also

indicated by PRP's coefficient of 0.271 ($p < 0.001$), which shows that OE increases by 0.271 units for every unit increase in PRP.

However, ERP and CRP do not significantly predict outcomes. ERP and OE have a weakly negative association; however, it is not statistically significant, according to its coefficient of -0.020 ($p = 0.741$). It has inverse relationship with OE, this means when ERP increases OE tends to decrease. Although it is not statistically significant, CRP's coefficient of 0.076 ($p = 0.201$) indicates a favourable connection with OE.

The dataset consists of 354 individuals, with a majority being female (63%) and the rest male (37%). According to the age distribution, the majority of people (57.9%) are between the ages of 25 and 35. Regarding education, the vast majority (85.6%) possess credentials beyond a bachelor's degree. Experience wise, mostly they had five to ten years of working experience and working as officers as majority. It means most of the respondents are young working individuals with moderate amount of work experience and education.

The responses from the participants have mean value ranging from 2.18 to 3.48 indicating a moderate level of agreement or perception, this range can be interpreted as indicating that the participants have a neutral to slightly positive view of the items being measured.

The result from Pearson correlation coefficients between the dependent variable (OE) and four independent variables (ERP, ORP, CRP, PRP) are statistically significant at the 0.01 level (2-tailed), indicating strong relationships between these variables. The correlation coefficient between employee related practices and the operation efficiency was found to be 0.407 which is positively correlated at $p < 0.01$. It suggests that as employee-related practices improve, operational efficiency tends to increase as well. This implies a direct relationship between the two variables. Similarly, the positive value of 0.433 suggests that as operation-related practices improve, operational efficiency tends to increase indicating a direct relationship between the two variables. Likewise, the value of 0.444 and 0.492 of customer related practices and policy related practices also illustrate positive relation with operation efficiency. These results

conclude that there is a favourable relation between the Green Banking practices and perceived performance.

All measurements that check the reliability and validity meets the required criteria. Hence, all constructs are reliable and valid. The R^2 value has 0.509 and the adjusted R^2 is 0.504. It means that independent variable explain by dependent variable is 50.90%.

The ANOVA table shows that variable factors together have a significant impact on efficiency. The "F" value of 90.445 and a very small p-value (less than 0.001) indicate that the model is statistically significant.

4.5 Discussion

This study contributes to the literature to explain the practices that Nepalese banks are implementing. The basic objectives of this study have been to identify the Green Banking practices and their relationship and influence on the perceived performance. The study's findings show that the commercial banks of Nepal had moderate levels of GB practices in terms of employee related, customer related, policy related and daily operation related practices. These traits are positively correlated with operational efficiency and have the potential to boost output and performance. It is noteworthy, nevertheless, that the data was gathered by self-reporting, which may be subject to social desirability bias or other factors that might affect the accuracy of responses. As a result, while taking these limitations into account, the study's conclusions must be carefully analyzed in order to potentially improve productivity and performance. All things considered, the results point to the possibility of increasing the performance in Nepalese commercial banks via the development of GB practices in the area of employee related, customer related, daily operation related and policy related practices. The study's findings are consistent with previous research, which further supports the importance of these attributes in promoting the banks' perceived performance. This is demonstrated by a thorough list of references that includes Mehar (2014), Chen et al. (2022), Mir and Bhat (2022), Nath et al. (2014), Mehta & Sharma (2016), Yang et al. (2021), Alshebani (2021), and Deka (2015).

The data suggests that there is a relatively good association between all green banking practices, and that these policies have a substantial impact on how well banks are

regarded to be performing. A long-term corporate strategy that prioritises sustainable environmental conservation over profit, green banking is a realistic approach to sustainability in the future. The study makes clear that banks have an obligation to inform their clients about green financing alternatives and green goods and services. It is only through more extensive provision of a wider variety of Green Banking products and services that the banks will be able to increase awareness and improve the general perception of customers regarding green banking practices. The results of this investigation are in line with those of other studies conducted by Nath & Goel (2014), Deka (2015), Brar (2016).

According to the study, there is a strong connection between operational efficiency and banks' policy related practices. It likely means that the policy within banks can influence the use of Green Banking practices. The study also revealed that the employee related practices are lower. Since Nepal is one of the countries that mandatorily implemented the policy of green finance under ESRM (2018), the result might influence the use for Green Banking practices too. However, there is a contradictory result concerned to the policy related practices. The prior review of the study revealed that the policy related GB practices have little to no impact despite the policy implemented by the bank which is supported by the study Islam et al., (2023) and Salsabila & Adhariani (2023).

CHAPTER V

SUMMARY AND CONCLUSION

This chapter offers ideas and recommendations for enhancing the sample banks' performance going forward along with a summary and conclusion. This chapter concludes the analysis and interpretation of the data gathered in accordance with the study's design. An effort has been made to draw a conclusion. This chapter discusses the connection between Green Banking practices and the perceived performance of Nepal's commercial banks, as well as the study's findings and implications. It is divided into two parts. The discussion is given in the first section, study's conclusion is given in the second portion, and the implications for resolving the issue seen during the study is presented in the last section.

5.1 Summary

This study contributes to the literature to explain the impact of green banking practices on the perceived performance of the banks. The basic objective of this research has been to analyze the relationship between sustainable practices and their perceived performance in Nepalese Commercial Banks. A descriptive as well as causal comparative research design has been used for this research. The research is descriptive in nature because it has described data and characteristics about the population being studied, on the basis of statistics without any manipulation. The research is also causal comparative because research is conducted to examine the relationship between dependent and independent variables. The non-probability convenience sampling technique has been applied for selection of the bank employees. 354 numbers of Nepalese Commercial Banks employees have successfully taken part in the survey. The required statistical tools have been incorporated. Basically, the descriptive and inferential statistical tools have been employed. The questionnaire has multiple response questions and five Likert scale questions that requires the respondent to indicate a degree of agreement or disagreement with each of a series of statement about the stimulus objects. Each scale item response categorizes ranging from “strongly agree” to “strongly disagree” for dependent variable i.e. operational efficiency and independent variables i.e. employee related, daily operation related, customer related and policy related practices.

The findings suggest that all the green banking practices have positive connection with the operational efficiency. It means the sustainable practices are highly correlated to each other and the perceived performance of the banks. Out of which, the policy related practices can have a major impact on the performance of the banks if implemented.

5.2 Conclusion

This study contributes to the literature to explain the practices that Nepalese banks are implementing. The basic objective of this study has been to identify the Green Banking practices and their influence on the perceived performance. The first objective of the research was to identify the Green Banking practices of commercial banks in Nepal. The findings of the research states that Green Banking promotes environmental friendly practices and reduces carbon footprints from banking activities. This comes in many forms using online banking, paying bills online, using mobile banking, internet banking, ATM card, Credit card, online fund transfers etc., support green initiatives. Green Banking helps to create effective, time saving, easy to use of banking service and far reaching market-based solution to address a range of environmental problems, including climate change, deforestation, air quality issues and bio diversity loss while at the same time identifying and securing opportunities that benefit to banking customers.

The second objective was to examine the relationship between Green Banking practices and perceived performance of commercial banks in Nepal. The result has shown positive and significant contribution by the influencing factors such as employee related practices, daily operation related, customer related and bank policy related practices. There are many factors that determine perceived performance of commercial banks but with the observed determinants the banks' policy has shown more impact on perceived performance. Similarly, daily operation related and policy related practices have significant relationship with the efficiency.

The third objective was to examine the Green Banking practice influence on perceived performance of commercial banks in Nepal. This finding of research states that perceived performance is influenced by employee related practices, daily operation related, customer related and bank policy related practices. Out of them, perceived

performance was highly influenced by banks' policy related practices.

The result of this study suggests that Green Banking practices are practiced at moderate level in Nepalese banks and have rooms for improvement in areas such as technology use, conserving energy and more CSR engagement.

5.3 Implications

Additional research is needed to understand more fully the relationship between Green Banking practices and the perceived performance of the bank. Following suggestions are for the researchers who wants to conduct research on the very topic:

Theoretical implications:

- This study has covered only six commercial banks of Nepal. So, it is recommended to include more banks, financial institutions and other sectors of the economy to include to get the desired outcome of the study.
- The study has considered only five dimensions of Green Banking practices. So, one recommendation for future studies would be to use other important factors as well.
- Future research can be done in the barriers of the banking practices regarding Green Banking.
- In this study, the respondents included the employees from junior and middle management only. Further extensive research can be carried out in the executive level employees as well.
- Researchers can conduct the study with behavioral factors, attitude towards sustainability and environmental awareness to help in the theory.
- The futher study can be the interest of all stakeholders including local communities, investors, shareholders, suppliers.

Practical Implications:

- The banking industry worldwide is realising the importance of green banking practices, the Nepalese banking sector still faces challenges in becoming more

sustainable and greener.

- The banks should invest in training their employees on sustainability initiatives to embed the culture of environmental responsibility and sustainable practices throughout the organization.
- It is imperative that the banks redeem the green banking practices to increase their brand image and trust.
- The customer awareness about the green banking practices is very crucial for the improved performance of the organization.

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APPENDIX

Dear Respondent,

This is a questionnaire designed to assist the researcher to complete the academic research project on a study on Green Banking system by commercial banks in Nepal which is a partial fulfillment of the requirements for the award of a Master of Business Studies Specialization on Finance of Tribhuvan University.

Please take a few minutes of your time to complete this questionnaire. Your honest answers will be completely anonymous and will help me complete my research.

Thank you for your kind support.

Part I: Demographic Questions

Gender:

Male		Female		Others	
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Age group:

Below 25		25-35		36-45		45 - above	
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Education Qualification:

Bachelors		Above Bachelors	
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Job Position:

Assistant level		Officer level		Manager level	
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Working Experience in banking industry:

Less than 5 years		5 -10 years		Above 10 years	
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Name of the bank:

Part II: Information Regarding Green Banking on Employee Related Practice

Please choose 1 to 5 to what extent you agree with the following statements:

1-Strongly agree 2-Agree 3-Neutral 4-Disagree 5-Strongly disagree

Observation statements	1	2	3	4	5
My bank provides training and education to the staffs on environmental protection, energy saving etc.					
When it comes to hiring and selecting staff, my bank uses green methods (online advertisement tools, email, phone, and online interviews).					
My bank allows us to work remotely.					
Employees at our bank regularly engage in green training initiatives.					
My bank organizes or encourages green commuting practices such as cycling, carpooling, walking.					
My bank has green team that encourages, monitors all green practices within the offices/branches.					

Part III: Information Regarding Green Banking on Daily Operation Related Practice

Please choose 1 to 5 to what extent you agree with the following statements:

1-Strongly agree 2-Agree 3-Neutral 4-Disagree 5-Strongly disagree

Observation statements	1	2	3	4	5
My bank has the branch/branches that are environmentally sustainable i.e. energy efficient, environmentally-friendly buildings.					
My bank purchases items such as stationeries, equipments and other items from environment-friendly companies.					

My bank has initiatives to reduce paper usage and other waste materials.					
My bank has recycle programs for paper, plastic, equipments and other waste materials.					
My bank uses energy saving measures such as LED lights, solar panels, battery storage, EV charging facilities etc.					
My bank conducts online meetings instead of having physical ones in order to promote Green Banking.					

Part IV: Information Regarding Green Banking on Customer Related Practices

Please choose 1 to 5 to what extent you agree with the following statements:

1-Strongly agree 2-Agree 3-Neutral 4-Disagree 5-Strongly disagree

Observation statements	1	2	3	4	5
My bank offers Green Banking products and services such as green savings, green loans, green bonds etc.					
My bank offers incentives, rewards and discounts to customers for usage of Green Banking products and services.					
My bank participates in collaborations and environmental programs that benefit the community.					
Green Banking products/services are more in demand by customers.					
My bank provides AI and automation services like chatbot, automated inquiry service etc.					
Customers are aware about Green Banking products and services.					

Part V: Information Regarding Green Banking on Bank Policy Related Practices

Please choose 1 to 5 to what extent you agree with the following statements:

1-Strongly agree 2-Agree 3-Neutral 4-Disagree 5-Strongly disagree

Observation statements	1	2	3	4	5
My bank has environmental (green) policy to support sustainable environment.					
My bank runs workshops, seminars, campaigns on the benefits of Green Banking practices.					
My bank prioritizes in funding environmentally friendly businesses and energy-efficient industries.					
My bank contributes in environment related projects via CSR.					
My bank examines environmental issues and evaluates the environmental risks associated with bank-financed projects and businesses across many industries and locations.					
My bank does the Green marketing strategy.					
There is a reduce, reuse and recycle strategy within my bank.					
My bank has set yearly target of achieving Green Banking practices.					

Part VI: Information Regarding Operational Efficiency

Please choose 1 to 5 to what extent you agree with the following statements:

1-Strongly agree 2-Agree 3-Neutral 4-Disagree 5-Strongly disagree

Observation statements	1	2	3	4	5
Green Banking practices minimize the costs of the banks.					
Green Banking promotes better resource management, which enhances operational efficiency.					

By using Green Banking, we can save time and focus on other projects.					
Employee engagement in green practices contribute to innovative solutions.					
Green practices also help to improve customer service efficiency.					
Customer engagement helps the bank to create innovative green ideas.					
Banks can avoid penalties and get rewards by using green practices to help them stay ahead of regulatory obligations.					
Green Banking techniques improve productivity by making us more efficient.					
Employee absenteeism is lesser due to healthier work environment by adapting Green Banking practices.					
Green practices help bankers to exhibit Organizational Citizenship Behaviour (OCB).					

GREEN BANKING PRACTICES AND PERCEIVED PERFORMAN...

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