

# 'Green banking plays key role in sustainability'

"Green" economies play a significant role in attaining global sustainability, Doha Bank CEO Dr R Seetharaman said.

"Green economies are the solutions to global sustainability and hence, green banking should be practiced, which encourages green economies and thereby mitigate climate change," said Seetharaman, who defended his thesis before the Viva Examining Board on August 16.

Seetharaman was conferred with a doctorate degree in "Green Banking and Sustainability" yesterday by Sri Sri University vice chancellor Dr Nand Lal in the presence of Odisha Chief Minister Naveen Patnaik and Sri Sri Ravi Shankar, lifetime president

of the university.

During his thesis defence, Seetharaman said: "Green banking promotes environment-friendly practices and reduce carbon footprint from the banking activities. The global financial crisis has made me rethink on green banking. Banks, as socially responsible citizens, should earmark capital for green banking apart from capital for regulatory requirements."

According to Seetharaman, the areas related to green banking that impact sustainable development include green economies, food security, corporate social responsibility, public-private partnership, climate change financing, small and medium-sized enterprises, global and GCC sus-



Dr R Seetharaman receives his doctorate degree in "Green Banking and Sustainability" from Sri Sri University vice chancellor Dr Nand Lal.

tainability, and human resources. "The banking environment

operates within the global standards of lending or investing and

such standards have been revised after the global financial crisis

both in terms of liquidity and capital adequacy...suitable buffers have also been developed taking into consideration the liquidity and systematic issues.

"Banks, as socially responsible citizens, have a role to play in protecting environment and contribute to sustainable development. Hence, every bank should earmark minimum 10% of Tier 1 capital subject to a cap of 10% of risk weighted capital towards green banking or clean development mechanism (CDM) or any sustainable development projects taking into consideration the carbon emissions prevailing in the economy in which the bank operates," Seetharaman explained.

He said greenhouse gas emis-

sions need to be estimated for major economic sectors in areas of operation to determine carbon footprint.

"Based on the carbon footprint in various economic sectors, various initiatives should be proposed to promote green economies such as lending for green projects, CDM scheme, and paperless banking," he said.

Seetharaman also highlighted Doha Bank's key initiatives on green banking, saying the bank has promoted paperless banking, Internet banking, SMS banking, phone banking, and ATM banking, as well as online channels such as Doha Souq, e-Remittances, online bill payments, green credit card, and green account.