

'Green banking reduces carbon footprint'

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GREEN banking promotes environmental-friendly practices and reduces carbon footprint from the banking activities, Doha Bank CEO R Seetharaman has said.

Speaking at the UAB – World Bank Breakfast Meeting, in Washington recently, Seetharaman said, "Banks as socially responsible citizens should earmark capital for green banking apart from capital for regulatory requirements."

He said, "The areas which are related to green banking and impact sustainable development include green economies, food security, corporate

social responsibility, public-private partnership, climate change financing, small and medium enterprises, global and GCC sustainability and human resources.

"The key themes are green economies are the solutions to global sustainability. Green banking encourages green economies and thereby mitigate climate change."

Seetharaman said, "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.

"The going-concern and gone concern capital has been redefined and suitable buff-



Doha Bank CEO R Seetharaman

ers have also been developed taking into consideration the liquidity and systematic issues."

However in addition to above, banks as socially responsible citizens have a role to play on protecting environment and contribute to sus-

tainable development.

"Hence every bank should earmark minimum 10 percent of Tier 1 capital subject to a cap of 10 percent 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."

The greenhouse gas (GHG) emissions need to be estimated for major economic sectors in areas of operation to determine the 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, Seetharaman said.

Highlighting the key initiatives of Doha Bank on green banking, he said "Doha 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 and on-line bill payments.

"It has launched green credit card and green account. It also has a dedicated green banking website, which integrates the bank's initiatives in promoting environmental safety with the community by reaching out to both the public and private sectors."