Consolidation in the Indian banking sector: evaluation of sustainable development readiness of the public sector banks in India

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Abstract: Banking is a pivot in providing the right trajectory to sustainable development actions. This paper looks at issues pertaining to consolidation activity in the Indian banking industry and tests the level of sustainable development adaptation of Indian banking industry. By rating the adaptation of banks towards SD practices. The paper also considers how far these institutions have declared their actions in terms of national and international SD norms for the banking sector. For the purpose of research, information was derived from the sustainability reports, business responsibility reports, annual reports and official websites of the banking institutions. The model adopted for the study is the sustainable banking model originally proposed by Jeucken (2001). The study was conducted on all 27 public sector banks in India for the period ended March 31, 2016. The results of the study show that none of the banks lie in the sustainable typology under the higher echelons of the model. The study indicates that the public sector banking industry in India primarily lies in the defensive and preventive banking stage, signifying that the banks merely follows the adoption of the regulatory norms.

Keywords: sustainable development; responsible banking; national voluntary guidelines; NVGs; ethical banking; sustainable banking model; India.


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1 Introduction

1.1 Brief about Indian banking industry

Since 1969, there have been as many as 34 mergers and amalgamations in the Indian banking and finance sector (RBI report, 2013). More than 25 cases witnessed private sector banks merging with public sector banks (PSBs). These mergers were a mix of induced and voluntary mergers. The voluntary mergers were driven mostly by weak financials of the merging banks. Shakya (2014) concluded that improvement of operational and distribution efficiency of commercial banks has always been an issue for discussion in the Indian policy milieu. The government of India in consultation with Reserve Bank of India (RBI) have, over the years, appointed several committees to suggest structural changes towards this objective. Some important committees among these are the Banking Commissions, Chairman R.G. Saraiya (1972) and Chairman Manubhai Shah (1976), and the Committee for the Functioning of PSBs, Chairman James S. Raj (1978). The Financial Sector Reforms that were triggered in the year 1991 have changed the face of Indian banking. The second Narasimham Committee (1998) had suggested mergers among strong banks, both in the public and private sectors and even with financial institutions and non-banking finance companies (NBFCs). The regulated economy has reformed into a deregulated yet improved economic structure, due to risk exposure to changed market environment. Indian banks have recently been taking long strides towards:

- consolidations of different banks through mergers and acquisitions
- universal banking
- technological advancement
- development of new standards
- international operations.
### 1.2 International banking adaptations towards SD

Emerging developments in the banking industry globally focus strongly on sustainability. The banking sector is under huge pressure from its different stakeholders to carry out its business in ethical ways (Frenz et al., 2005; Jeucken, 2001, 2002). The changes that are happening in sustainability-related regulations and practices require a different alchemy of structural transformation in the Indian banking sector. One of the most common sustainable development strategies that banks are adopting around the world is the integration of sustainability into bank’s operations, through the incorporation of environmental and social considerations into the bank’s core strategy. The growing demand for more responsible and sustainable corporate behaviour creates vast scope for business opportunities for banks. Consequently, sustainable banking has become an imperative for any banking sector. Many international standards, principle, framework, guidelines have been established to addresses the issues of environment, social and governance to contribute to sustainable development agenda. World Bank has formed environmental and social norms for financial institutions like commercial banks, investment funds, and leasing companies to encourage them to reduce pollution and the negative impact of their activity on the economy. Another very significant initiative is the equator principle (EP) which was launched in June 2003. It is a risk management framework, adopted by financial institutions for determining, assessing, managing environmental and social risk in projects. The primary objective of the EP is to ensure adherence to social responsibility and sound environmental management practices while financing the project by banks. The banks signatory to EP agrees that they will not provide finances to those projects where the client will not comply with respective social and environmental policies provided in the EP. Currently, 84 Equator Principles Financial Institutions (EPFIs) in 35 countries have officially adopted the EPs, covering over 70% of International Project Finance debt in emerging markets (Equator principles, 2016). The other important initiative is United Nations Environment Programme Finance Initiative (UNEP FI) which was established in 1992, primarily to provide a platform to the financial institutions to adhere to environmental, social and governance (ESG) issues, and to play a more meaningful role in creating a better sustainable world. Currently, over 200 financial institutions across the world are signatories to UNEP FI (2016). An ISO 14001:2015 standard sets out the criteria for an environmental management system. It provides the framework that can be used by any organisation regardless of its activity or sector, to setup an effective environmental management system and serves as an assurance to all the external stakeholders that environmental impact is being measured and improved. The principle of responsible investment (PRI) initiative is an international network of investors to understand the implication of sustainability and integrate the issues of ESG issues into their investment decisions. However, international banking regulation (i.e., the Basel capital accord or Basel III) does not address the financial stability risk associated with the systematic environmental risk. Nevertheless, many countries like Brazil, China, Peru, Colombia, Indonesia, Kenya, Mexico, Mongolia and Bangladesh along with their banking industries has adopted regulatory and governance practices to address the systematic environmental risks (CISL and UNEP FI, 2014).

The sustainable banking model (Jeucken, 2001) which was designed to identify the practices that banks are taking towards sustainability, presents four stages or attitudes, each bank goes through from the first stage to the last one by moving from inner layer to the outer layer as a result of stakeholder expectations and environmental changes. This
model is depicted below in Figure 1. Each outer layer contains the previous inner layer and the last stage which is sustainable banking contain the characteristics of both preventative and offensive banking, as banks develop from the innermost layer (defensive) to preventive and further offensive to the outer layer (ultimately sustainable).

**Figure 1** Typology of banking and sustainable development

![Diagram of banking typology]

*Source: Juecken (2001)*

The first stage is defensive banking signify the indifference of banks towards the environment considerations and very often banks try to delay or reluctant to new environmental legislation because it may affect the interests of the bank through the potential loss of clients to the competitors. Opportunities for cost savings through initiatives such as energy efficiency have not been adopted and the establishment of the environmental risk management system is regarded as an avoidable cost. The second stage is preventative banking where banks start adopting potential environmental cost savings and eco-efficiencies practices. The preventive banking does become inevitable for the banks as a result of pressure from civil society, NGOs and government to constraint the environmentally hazardous activities of the bank through regulation and social pressure. The banks in this stage only consider their internal processes such as environmental management and credit risk assessment. When a bank starts considering their external activities along with their internal activities to promote sustainability, it enters into offensive banking stage. This stage involves the establishment of the internal environment management system and development of product and services considering the environment and social dimensions. The fourth stage is the sustainable banking, which is a win-win situation for the bank as it is not only able to reduce the cost and avoid risky project but also able to create sustainable competitive advantage in the market. Such banks require the holistic vision and mission on the part of their shareholders.
2 Literature review

The review of the literature shows that the banking industry has responded to the issue of sustainability relatively slow, despite having high-risk exposure. From the literature, it is evident that the incorporation of environmental considerations in banking operations began in 1990s, later the dimension of social considerations was also addressed (Jeucken, 2001). Initially, the prominent literature was focussed on the environmental issue emanating from the internal environment of the banking operations resulting in environmental resources saving, low carbon emission and increased reputation (Babiak and Trendafilova, 2011). However, it is environmental issues pertaining to the external environment such as liability and responsibility of the bank relating to lending activity gained due consideration. Internal environment care practices need to be complemented with external environment care practices by the integration of environmental concerns into lending, project financing and investment decisions (Scholtens, 2009; Schmidheiny and Zorraquin, 1998). The climate change is the major cause of environmental risk and it has a significant bearing on the financing risk and investment portfolios of financial institution (Weber, 2012; Zeidan et al., 2015). Sustainable banking is not for the weak; it aims at creating a profound change in the banking operations through the incorporation of environment care and social equity. Although it is a choice open to individual banks to either adopt or avoid, the trends in the financial world and expectations from all the stakeholders inevitably point toward an obligation to take up this challenge (Van Gelder, 2006). IFC (2016) report stressed in order to be sustainable; banks need to devise its own environment risk management system for incorporating sustainability. The benefits of incorporating sustainability are far more than costs and environmental risk management system has resulted in the better quality of bank’s portfolio (Scholtens, 2008) There is a need for incorporation of not only environmental concerns but also the social, ethical issues for the risk management system of the banks and other financial institutions (Hoepner and Wilson, 2010) and the social dimension of sustainability must be aimed at building sustainable financial systems deprived section of the society (Bennett and Cuevas, 1996). SRI (socially responsible investment) has been able to create positive impact on sustainable development and new business opportunities for the financial institutions (Cerin and Scholtens, 2011). Richardson (2009) emphasised on the strategy to promote SRI for environmental sustainability and suggested collateral reforms to financial markets, including improved corporate environmental reporting, are required to promote sustainability. Dogarawa (2006) concluded that banks are expected to be ethical by following the principles of integrity, impartiality, reliability, transparency, social responsibility and controlling money laundering, not only to protect the rights and interests of countless customer but also to establishment stability and confidence in financial markets and also the requirements for economic development. The previous researchers have found that environmental and sustainability reporting according to regulatory guidelines and framework is positively correlated with the profitability and size of the banking institutions (Alberici and Querci, 2016). In the same, Scholte (2002) analysed the effectiveness regulatory framework and guidelines, with reference to criteria of efficiency, stability, social equity, ecological integrity, democracy and emphasised more proactive socially progressive public regulation of global finance is possible and desirable. Seuren (2009) stressed on the need of adoption of sustainability-related international standards, guidelines and framework like EPs to contribute towards long-
term sustainable development. The adoption of these international standards, guidelines for integrating environmental and social issues into banking operations has been increasing in the past decade (Scholtens, 2008; Peeters, 2003). Apart from many international guidelines and regulatory framework for incorporating sustainability, even individual countries have also come up with their own sustainable financing policy. Many countries like Bangladesh, Brazil, China, Colombia, Indonesia, Kenya, Mexico, Mongolia, Nigeria, Peru, Turkey and Vietnam have introduced national policies, guidelines, principles, or roadmaps focused on sustainable financing or sustainable banking (IFC, 2016). These policies are aimed at linking financial performance with sustainable performance to establish financially stable and sustainable sector. The RBI in its notification dated 20th November 2007 issued a circular (RBI 2007–2008, 1216) highlighted the importance for bank to act with responsibility and contribute to sustainable development so that the impact of global warming can be reduced with the help of banking industry and advised banks to take note of the issues raised and consider using the same to put in place a suitable and appropriate plan of action towards helping the cause of sustainable development, with the approval of their board. The Institute for Development and Research in Banking Technology (established by the RBI) has coined the term of green rating standard as ‘green coin rating’ and proposed the introduction of standard rating for green efficient banking practices among Indian banks. Under this rating system, both the infrastructure and operations of the banks are being considered (IDRBT, 2013). Bahl (2012) highlighted the various initiatives taken by banks in India for adopting green banking and Sahoo and Nayak (2008) concluded banking industry in India is running behind time and it is high time to takes some major steps to gradually adhere to the EPs-guidelines that provides the environment-sensitive parameters, apart from financial aspects, to finance projects.

The Indian banks have largely been slow in addressing sustainability concerns and issues. The current preparedness of banks is not enough to face the challenges and opportunities that sustainability presents. This study is influenced by Jeucken (2001) model of sustainable banking. In order to understand how the banks are moving towards sustainable development, this model identified four stages: defensive, preventive, offensive, sustainable banking. There is an extensive literature about the need for integrating sustainability in the banking industry and the extent of adoption of sustainable practices. Amacanin (2005) analysed the sustainability level of six UK banks using sustainable banking model and found that majority of the banks had reached the preventive banking phase, on the other hand, only two banks had reached the higher phase of offensive banking. Papastergiou and Blanas (2011) also analysed the sustainable banking in Greece using model of sustainability banking. He found none of the bank was in sustainable banking stage and 50% of banks were in defensive banking stage, however regarding environment care aspect, the majority of banks are involved only in the internal environment care and social care practices such as employee training and development and community development programme. Weber (2012) also found that Canadian banks are proactive regarding environmental examinations of loans and emphasised on the need for a more quantitative data related reporting on environmental care practices and environment risk management in the banking institutions. Since the banks do have do have an important role to play in the growth of the economy, they need to adopt environmental disclosure practice, whether it is voluntarily or required by legislation (Thompson and Cowton, 2004).
3 Research methodology

The driver of this paper is the consolidation activity being undertaken by the Indian banking industry and the study looks at the sustainable development readiness of the banking industry in India. The paper is based on secondary data and resorts to the theoretical model of sustainable banking. This model is widely adopted around the world for analysing banking industry towards sustainable banking. In the present study, two components of the model have been introduced to meet the prevailing challenges being faced by banking industry in current environment, on moving towards the sustainable path and to fit in Indian conditions. First, being signatory to EP, as in the last decade it has enormously increased the focus on social equity standards and responsibility, including robust standards for rights of indigenous peoples, consultation with locally affected communities for providing livelihood, environmental care standards and management system within the project finance. The second is adherence to national voluntary guidelines (NVGs), as mandated by the Government of India for fulfilling corporate social responsibility. Due to its universal applicability, irrespective of the size of the company and incorporation of triple bottom line approach, NVGs in India playing pivot role in driving business towards sustainability. The research had been conducted in two steps with a literature review on corporate social responsibility in the banking sector and particularly in sustainable banking, previously identified results, methodologies used and suggested future research, being the first. The second step included data collection of all 27 PSBs through secondary published sources in relation to the issues analysed in the model. Secondary published sources were the reports on business responsibility, sustainability reports, annual reports of the FY 2014–2015, 2015–2016 and other relative information published on the banks’ official websites. The annual reports, business responsibility reports and the official websites of banks were intensely studied and researched under the study. A table was created with banks in the row and the sustainable banking indicators in the first column in order to weight the efforts being carried out by the banks with regards to sustainability performance and attitude of banks towards incorporating sustainability.

3.1 Sustainability measurement criteria

The criteria of sustainability measurement were adopted from sustainability banking model (Jeucken, 2001). There are five groups in the model and in each group, there are key elements with specific weight assigned to it like, communication (10% weighted), generic published information (25% weighted), generic financing (15% weighted), special products (40% weighted) and social issues and charity (10% weighted).

In order to calculate an integral score for sustainable banking, in each group, a maximum of 20 points can be awarded, so that in total a bank can accrue a maximum of 100 points. The points are allocated bearing in mind both current and future benefit to the environment. The total point per group is obtained after the application of sliding scale and is multiplied by its weight. An integral score for sustainability per bank is obtained by the sum to the weight of each group. The maximum integral score is 20 points. This integral score each bank was then categorised into four stages of sustainable typology namely, defensive banking, preventive banking, offensive banking and sustainable banking, which reflect the stance of a bank towards sustainability.
4 Analysis of sustainable banking in India

4.1 Financing risk

State Bank of India (SBI) has recognised the importance of environmental protection and is one of the few banks which has assessed and published both qualitative and quantitative data about the internal environment care and external environment. Bank of Baroda has constituted following committees to drive the sustainability development and corporate social responsibility agenda,

a Sustainable Development and Corporate Social Responsibility (SD and CSR)
b ED-SD and CSR Committee
c GM-SD and CSR Committee AGM-SD and CSR Committee (BOB annual report, 2015–2016).

Canara and Union bank of India give preferential treatment for environment-friendly green projects that contribute to sustainable development and earn carbon credits, such as Wind Mills/Solar Power Projects. SBI has business responsibility policy; the business responsibility performance of the bank is assessed annually by the Board of Directors. IDBI Bank is actively involved in financing new and renewable energy projects and funding of potential green projects based on clean technologies vis., Solar Cell/Module Project and Co-Generation, Energy Efficient Project (Business responsibility report IDBI, 2015–2016). Among most of the PSBs, application of environment risk management system was absent in the bank’s policy towards environmental risk consideration. Under this study, the environment risk analysis while financing is done by mere 11.11% of the banks. Although all the PSBs are actively engaged in micro-credit financing but none of the PSBs offer venture capital for environmental innovation. The major aspect where PSBs are lagging behind when it comes to sustainability is that, none of the Indian PSBs is signatory to EPs and UNEP FI declaration.

4.2 Product development

The development of innovative product and services to address the issues of environment and social consideration is considered to be the key to drive towards sustainable banking. Micro-credit is one area where all the banks have developed product and services to offer micro-finance to the customers; perhaps it is due to the policy established by RBI and Government of India toward microfinance. Self Help Group (SHG) finance, Joint Liability Groups of Tenant farmers, Krishi Mitra Card Scheme and Micro Credit Groups (MCG) are the most common product that banks have devised and are using to provide financial inclusion. SBI and IDBI are the only bank who are offering climate products whereas environment loans product are offered by 29.6% of the banks, the environmental saving product is offered by 70.3% banks. The banks are making efforts to make banking paperless to reduce the paper consumption. This has been supported by technology in terms of electronic fund transfers, ATMs, internet banking, mobile banking and also searching for alternative energy sources for running facilities like ATM’s, etc. SBI, PNB and Canara Bank have undertaken various initiatives/programmes/projects in pursuit of inclusive growth and equitable development of the society. Canara Bank has introduced a unique product of by introducing bio-gas plant financing but there are only few banks
that have introduced sustainable innovative product and services. Micro-credit financing is predominantly exercised by almost all the PSBs.

4.3 Environmental care

The Government of India established NVGs which is the national framework on business responsibility involving a set of nine principles, directing towards the commitment of businesses to operate in an economically, socially and environmentally sustainable manner while balancing the demands of shareholders and other interest groups. Only 25.9% of the banks adhere to NVGs and the same has been disclosed in their reports. The totals of 62.9% of the banks have established some kind of environmental policy towards environmental care and have disclosed the same in the reports. All the PSBs are involved in sponsoring some kind of programmes benefiting nature and the environment, improving internal socio-economic aspects, community involvement programme. SBI had launched ‘green channel counter’ (GCC) facility on 1st July 2010 in selected branches spread across the country. This pioneering concept which is eco-friendly as it avoids the use of paper and is convenient as it saves time and employee effort. The Bank of Baroda has taken steps to minimise resource consumption and waste generation by following the principle of ‘reduce, reuse and recycle’. Canara Bank has formulated its sustainable development and corporate social responsibility policy and the implementation is monitored by the sustainable development and corporate social responsibility committee. Various green banking initiatives undertaken by the bank include core banking solutions, internet banking, mobile banking, solar powered biometric ATMs for the use of rural population, e-lounges in branches and e-governance for its staff and administrative areas to promote paperless banking. Most of the other PSB’s are just limiting their efforts to internal environment care where installation of Solar ATMs, the introduction of green card for encouraging paperless banking, are the major thrust area.

4.4 Communication-organisation

The environment reporting is done by 88.8% of the banks under the analysis but separate business responsibility reporting is done by only three banks namely IDBI, SBI and PNB, which constitutes 11.1% among all PSBs. The other banks do not have the policy towards publishing business responsibility report. The information about environment care can only be found in corporate governance as part of annual reports of the banks. The total of 62.9% PSBs assesses, disclose some kind of quantitative data about internal environmental care, and among this only 22.2% of the banks disclose absolute or relative data for most locations and subjects, whereas 41% of the banks disclose data only for a few subjects about internal environment care. The qualitative information about internal environmental care like installation of solar panel at ATMs, paperless banking is disclosed by 88.8% of the PSBs in their reports. It is important to note that objectives for internal environmental care for the future are established by 40.7% of the banks. The quantitative data about external environment care is published by 44.44% of the banks but SBI and IDBI are the only banks that has presented the data about sustainable practices of external environment care in a more transparent and complete manner in its
business responsibility report. However, 62.9% of the banks have disclosed information about its external environment care practices.

**Chart 1**  Performance of PSBs in India under sustainable banking typology

![Chart showing performance of PSBs in India under sustainable banking typology]

**Table 1**  Integral score of PSBs in India calculated under sustainable banking model

<table>
<thead>
<tr>
<th>S. no.</th>
<th>Name of bank</th>
<th>Points</th>
<th>Stage</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>State Bank of India</td>
<td>13.00</td>
<td>Offensive banking</td>
</tr>
<tr>
<td>2</td>
<td>IDBI Bank</td>
<td>11.80</td>
<td>Offensive banking</td>
</tr>
<tr>
<td>3</td>
<td>Canara Bank</td>
<td>9.20</td>
<td>Preventive banking</td>
</tr>
<tr>
<td>4</td>
<td>Bank of Baroda</td>
<td>8.35</td>
<td>Preventive banking</td>
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<tr>
<td>5</td>
<td>Punjab National Bank</td>
<td>7.00</td>
<td>Preventive banking</td>
</tr>
<tr>
<td>6</td>
<td>Indian Overseas Bank</td>
<td>6.55</td>
<td>Preventive banking</td>
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<tr>
<td>7</td>
<td>Indian Bank</td>
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<td>Bank of India</td>
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<td>Defensive banking</td>
</tr>
<tr>
<td>20</td>
<td>Corporation Bank</td>
<td>4.65</td>
<td>Defensive banking</td>
</tr>
</tbody>
</table>

Notes: Sustainability banking typology: defensive banking (0–5 points), preventive banking (5–10 points), offensive banking (10–15 points), and sustainable banking (15–20 points).
### Table 1
Integral score of PSBs in India calculated under sustainable banking model (continued)

<table>
<thead>
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<th>Stage</th>
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<td>Bank of Maharashtra</td>
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<td>Defensive banking</td>
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<td>State Bank of Travencore</td>
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<td>Defensive banking</td>
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<td>Union Bank of India</td>
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<td>Defensive banking</td>
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<td>Allahabad Bank</td>
<td>3.55</td>
<td>Defensive banking</td>
</tr>
<tr>
<td>27</td>
<td>State Bank of Mysore</td>
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<td>Defensive banking</td>
</tr>
</tbody>
</table>

Notes: Sustainability banking typology: defensive banking (0–5 points), preventive banking (5–10 points), offensive banking (10–15 points), and sustainable banking (15–20 points).

### 5 Conclusions

Indian PSBs have been slow in responding to sustainability issues, despite of their high exposure to associated risks. The current preparedness of banks is not adequate to face the challenges that sustainability presents. The result of the study shows that 25 PSB out of 27 lies in defensive and preventive banking stage and no PSB has reached the final stage of sustainable banking. SBI and IDBI are the only banks that reached the stage of offensive banking in the sustainable typology whereas; ten banks have managed to reach preventive banking stage. SBI and IDBI Bank has emerged as the most pro-active banking in its effort to systematically reduce the environmental impact of their internal processes. SBI and IDBI Bank come under the offensive banking stage having 13.00 and 11.80 points score respectively. The reason for performing well in the sustainability typology by these two banks is the various initiatives taken by them such as formulating environmental policy, environmental reporting, setting up internal environment care policy, financing of renewable energy projects and funding of potential green projects based on clean technologies. However, SBI being the largest bank in the country and ranked 52nd in the world in the terms of assets (according to Iyer and Nair, 2016), need to play a more active role by subscribing to international framework and guidelines of sustainable development like EPs, UNEP FI, etc., to spearhead sustainable development drive in the Indian banking industry. Unfortunately, considering status quo of the Indian economy, the demand for the adoption sustainability is not sufficiently developed to create the congenial environment for making sustainable banking possible in the banking industry. Although, Canara Bank and Bank of Baroda are in preventive banking stage but they are close to offensive banking stage which signifies increasing adoption of sustainable banking practices by these banks. There are 12 banks in the preventative banking stage which signify integration the potential revenues, costs, and risks into their day-to-day business. However, banks at this stage only consider their internal processes such as environmental management and credit risk assessment. An integrated score of 13 banks lies in the defensive banking stage. This stage means, bank is non-active and may even try to delay or oppose the new environmental legislation because it may damage the interests of the bank directly or indirectly (through damage to the profitability of
customers). Opportunities for cost savings through initiatives such as energy efficiency are not taken up and environmental management is seen as an avoidable cost. Only 25.9% PSBs follow NVGs and prepare business responsibility report, providing answers to principle wise NVGs. So it can be concluded from the above analysis, the Indian PSBs are far behind when it comes to integrating and incorporating sustainability into banking operations. The basic rationale behind forthcoming propounded consolidation in Indian banking industry is to make Indian banking industry sustainable, reducing rising NPAs and making a presence at the global level. It is very important to consider the sustainability performance of these banks in order to make them more efficient. The banks like Allahabad Bank, Bhartiya Mahila Bank, State Bank of Travencore, State Bank of Mysore, Union Bank of India and Bank of Maharashtra having very low integrated score in sustainable banking analysis need to be merged and consolidated with the likes of SBI, Canara, Bank of Baroda, IDBI, PNB and Bank of India for sustainable structuring. However, regulatory aspect also needs to be improved in India. NVGs are one such initiative which was introduced, but it has not been adopted by all the banks and even in the case where it has been adopted, banks have not been complying it in its fullest extent as in most of the cases merely principle wise following of NVGs are restricted to qualitative information rather than quantitative data. Sustainability initiatives at the global level also need to be subscribed into Indian banking industry especially in PSBs. The government may also need to strengthen the banking industry to face the sustainability challenges and reconcile its regulatory regime in the sector to ascertain the usefulness of its policy directions towards promoting sustainability in the banking sector. The Government of India and RBI should promulgate over formulating green policy or any other such sustainable policy or initiatives for Indian banking industry.

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