

Does Ethical Banking Hold the Potential to be the Future of Banking?

Jayasekera, M. A. K. D. S.¹ and Pushpakumari, M. D.²

The banks have a responsibility for Socio -Economic and Environmental progress of a country. Yet, Banks have been neglecting their Societal and Environmental responsibilities and achieving only gains in Economic areas. Banks were blamed by civil society for neglecting the Environment. Banks were also not considering certain sections of the society for banking relationships and thus, neglecting part of society. The financial crisis exposed the banking sector of their irresponsible behavior. There has been a public outcry for banks to act responsibly. The public was in search of an alternative banking type which can discharge Social, Environmental and Economic responsibilities effectively. The Ethical Banking was accepted as an alternative banking model, as this model is driven by the progress in all three areas of Economy, Environment and Society. Ethical Banking strives to achieve triple bottom line -the Planet, the People and the Profit. These banks encourage financial inclusion and deliver eco- friendly banking solutions to its customers. The main objective of the study is to determine whether Ethical Banking has the potential to be the future of banking. The significance of the study is to find out how Ethical Banking will be accepted as the most suitable banking concept for the future. The study is a desk research in the form of a Literature Review. The review identifies that Ethical Banking hold the potential to be the future of Banking. The outcome of the research will highlight the importance of banking to be ethically oriented, in order to be sustainable in the future.

Keywords: *Ethical banking, Future of banking, Generation Z, Millennials, Socio-economic responsibility*

¹ University of Sri Jayewardenepura, Sri Lanka [athulakanthajayasekera@yahoo.com]

² University of Sri Jayewardenepura, Sri Lanka [pushpakumarimd@sjp.ac.lk]