THE IMPACT OF GREEN FINANCE ON THE SUSTAINABILITY PERFORMANCE OF THE BANKING SECTOR IN BATTICALOA DISTRICT

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EU/IS/2019/MS/105

INDEX NO: MS 2285

A Project Report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial full filament of the requirement for the Degree of Bachelor of Business Administration Honours.

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DEPARTMENT OF MANAGEMENT

FACULTY OF COMMERCE AND MANAGEMENT

EASTERN UNIVERSITY, SRI LANKA.

2025

ABSTRACT

In the rapidly evolving landscape of the banking sector, green finance has emerged as a critical driver of organizational success and innovation. This study investigates the impact of green finance on the sustainability performance of the banking sector in the Batticaloa District.

In addition to this, the researcher identified the level of these variables, their impact, and relationship between them. While there has been lack of research conducted in this area. Utilizing a sample of 270 banking employees, data were collected through structured questionnaires and analyzed using (SPSS 26.0 Version).

The findings reveal a significant and strong positive relationship between green finance practices and sustainability performance of the banking sector in the Batticaloa District. Specifically, the implementation of green finance across its social, economic, and environmental dimensions contributes meaningfully to organizational sustainability outcomes. These results underscore that when banks prioritize green finance, they create a foundation for sustainable growth, improved reputation, and alignment with national and global climate goals.

These findings underscore the importance of implementing green finance across social, economic, and environmental dimensions to strengthen sustainability performance in banking institutions. The study offers valuable insights for banking leaders and financial regulators striving to align operations with climate goals and sustainable development priorities. It reinforces the significance of aligning financial decision-making with ethical and environmental priorities, thereby nurturing a culture of responsible banking and accelerating the transition toward low-carbon, inclusive growth in regions like the Batticaloa District.

Keywords: *Social dimension of Green Finance, Economic dimension of Green Finance, Environmental dimension of Green Finance and Sustainability Performance.*

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