

THE IMPACT OF GREEN FINANCE AND GREEN BANKING ACTIVITIES IN SUSTAINABLE DEVELOPMENT OF BANKING SECTOR IN SRI LANKA.

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Green finance is to achieve economic growth by reducing pollution and greenhouse emissions, as well as reducing waste and increasing efficiency in the use of natural resources. (Organization for Economic Co-operation and Development (OECD)). Few have investigated the effect of different dimensions of green activities in achieving green initiatives and thereby achieving sustainable development goals. Therefore, this study attempts to examine the impact of green financing on the sustainable development of the banking sector in a developing country like Sri Lanka. Regression analysis was performed to analyze the data obtained on the associated variables to explore the analysis. Furthermore, the researcher has used Statistical package for the Social Sciences (SPSS) statistical package to analyze the data. Hypotheses were tested using these types of analyses. The study is based on a literature review of academic articles and reports related to green finance and green banking practices. The findings suggest that green finance and green banking activities have a positive impact on the banking sector by promoting sustainable development, reducing environmental risks, and enhancing the sector's reputation. Green finance and green banking practices have gained attention over the past few decades due to growing environmental concerns and the need for sustainable development. The banking sector plays a significant role in the economy, and the adoption of green finance and green banking practices could contribute to sustainable development in the sector. In Sri Lanka, the banking sector is an essential contributor to the economy, and the adoption of green finance and green banking practices could lead to sustainable growth. Green finance and green banking activities has grown significantly in importance among international organizations and state governments in the economic dialogue. Similar increases in academic, scholarly, research, and professional interest in GF have been seen and this interest now represents a new financial strategy that prioritizes green investments for environmental protection and encourage economic success at the same time.

Keywords - *green finance, green banking activities, sustainable development, banking sector, Sri Lanka.*

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