

# ANALYZING THE TREND, BARRIERS AND FUTURE DEVELOPMENTS OF GREEN FINANCE: WITH A SPECIAL REFERENCE TO SELECTED COMMERCIAL BANKS IN SRI LANKA

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## 1. Introduction

This study focuses on identifying the trend of green finance and barriers to green finance when implementing and developing green finance in Sri Lanka's selected commercial banks. For this study, the selected banks are Commercial Bank Ceylon plc, Sampath Banks and DFCC Bank. The research highlights the importance of green finance, current trends, barriers to implementing green finance and future developments in green finance.

## 2. Research Methodology

The main objective of this research to identify these three areas and overcome these barriers. This study was qualitative; semi-structured interviews were conducted with head branch managers, and data was collected according to their perspectives. These interviews focus on identifying the banks' current trend of green finance, the challenges they face, and their future direction to word green finance. The collected data is analyzed by using thematic analysis. Mainly, it is a review of relative literature on green finances globally and within Sri Lanka.

## 3. Findings and Discussion

Preliminary findings are relevant that green finance practices were gradually adopted. There is a demand for renewable energy projects, and banks provide loan assistance for that. Lack of customer awareness of green finance products and services was identified as the main barrier. All the managers mentioned this barrier as the main barrier. Rules and regulation impacts, high initial cost, and low rural area people's awareness are the main barriers to green finance. They have a good perspective related to green finance development.

## 4. Conclusion and Implications

This research provides important insights for other banking institutions, policymakers, and financial institutions, identifying the need for related the need for strong rules, regulation frameworks, and facilities for green finance in achieving Sri Lanka's sustainable development. Through this research, the banking institutions selected for this research, as well as other institutions that implement green finance, will be a guide to implementing green finance by identifying the existing findings.

**Keywords:** Banking sector, Barriers to green finance, Commercial Banks, Green finance, Sustainable development