

Exploring Attitudes and Perceptions: A Study of Green Banking and Sustainable Investment Among Undergraduate Students

Hira Lal Shrestha, PhD

Principal

Atharva Business College, Kathmandu, Nepal

shrira@gmail.com

<https://orcid.org/0009-0006-7613-842X>

Numa Chongbang

BBA 7th Semester

Atharva Business College, Kathmandu, Nepal

limbonuma8@gmail.com

<https://orcid.org/0009-0009-6436-5125>

Sonika Shrestha

BBA 7th Semester

Atharva Business College, Kathmandu, Nepal

shresthasonika320@gmail.com

<https://orcid.org/0009-0008-2630-9133>

Sushma Shrestha

Faculty

Atharva Business College, Kathmandu, Nepal

sushmasayenju@gmail.com

<https://orcid.org/0009-0001-3800-7529>

Dasarath Neupane, PhD & PDF

Research Director

Atharva Business College, Pokhara University, Nepal

neupane.dasarath@gmail.com

<https://orcid.org/0000-0001-9285-8984>

Narendra Sejuwal*

Faculty of Management

Tribhuvan University, Nepal

narendra.sejuwal@pmc.tu.edu.np

<https://orcid.org/0009-0002-8926-6528>

Correspondence Author*

Received: June 21, 2025

Revised & Accepted: August 25, 2025

Copyright: Author(s) (2025)



This work is licensed under a [Creative Commons Attribution-Non Commercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).

Abstract

This study assesses undergraduate students' perceptions of green banking and green investment in Kathmandu. Adopting quantitative methodology, the research employed a descriptive design and collected data via a structured Likert-scale questionnaire from 191 male and female students. The analysis revealed generally positive attitudes toward sustainable finance practices. Most respondents expressed concerns about green washing and emphasized the need for transparent reporting and adherence to international green investment standards. A strong interest in learning about green finance and support for integrating sustainability courses into university curricula was evident. Regarding green investment, awareness of sustainable options and institutional offerings was high, with media playing a key role in information dissemination. Ethical responsibility was prioritized over high returns by the majority, though willingness to invest in green projects and confidence in their profitability showed moderate levels. The findings highlight the students' readiness to engage with green finance while underscoring the need for increased education, transparency, and institutional credibility to foster sustainable banking and investment practices in Nepal.

Keywords: Banking, Finance, Green, Investment, Sustainable

Introduction

In recent years, the global financial landscape has witnessed a significant shift towards sustainable development, reflecting growing awareness of environmental challenges and the urgent need to address climate change (Clark et al., 2018). Among various sustainability initiatives, green banking and green investment have emerged as pivotal strategies to promote environmentally responsible economic growth. These concepts not only help mitigate environmental risks but also unlock new opportunities for financial institutions and investors by integrating environmental, social, and governance (ESG) considerations into their core operations (Zhu et al., 2024). This study aims to assess the current status and impact of green banking and green investment practices, particularly focusing on their implementation, challenges, and potential in fostering sustainable development.

Green banking refers to the practices adopted by banks and financial institutions that promote environmentally friendly projects and reduce the ecological footprint of their operations (Rahman et al., 2023). This includes financing renewable energy projects, supporting energy-efficient technologies, reducing paper consumption through digitalization, and encouraging clients to adopt sustainable practices. Green banking aligns financial goals with ecological sustainability by incentivizing projects that contribute to a low-carbon economy (Habib & Khan, 2025). The banking sector, being a crucial intermediary in the allocation of financial resources, plays a vital role in channeling funds towards green initiatives and ensuring that environmental risks are assessed in credit and investment decisions (Di Tommaso et al., 2025). Similarly, green investment is a broader concept that involves directing capital towards projects and companies that have a positive environmental impact. It encompasses investments in renewable energy, clean technologies, waste management, water conservation, and other

sustainable development projects (Jain, 2024). Green investment aims to generate financial returns while promoting environmental sustainability, thus attracting investors who are increasingly conscious about their ecological footprint. With rising global commitments to reduce carbon emissions and transition to a green economy, green investment has gained momentum as a viable and responsible investment approach (Huang, 2023).

The importance of assessing green banking and green investment lies in understanding their effectiveness and identifying the barriers to their wider adoption (Elsner & Neumann, 2023). Despite the growing interest, the integration of environmental concerns into banking and investment decisions faces several challenges, including lack of awareness, regulatory gaps, limited technical expertise, and perceived financial risks (Agrawal et al., 2024). Evaluating the knowledge, attitudes, and practices of stakeholders such as banking professionals, investors, and customers can provide valuable insights into how green finance is perceived and implemented. Moreover, assessing the impact of these practices on environmental outcomes and financial performance can help policymakers and financial institutions devise better strategies to promote sustainable finance.

In the context of developing countries like Nepal, green banking and green investment hold significant promise but also present unique challenges. Nepal, with its rich natural resources and vulnerability to climate change impacts, stands to benefit greatly from sustainable financial practices. However, the banking sector and investors often face constraints such as limited green finance products, inadequate infrastructure, and insufficient policy support.

Objective of the Study

To assess students' perceptions Perception towards Green Banking & Investment Among Undergraduate Students.

Research Methodology

The current study adopted a positivist research philosophy and employed a quantitative methodology to empirically assess the proposed theoretical model. A descriptive research design was utilized to systematically describe and analyze the perceptions and attitudes of the respondents toward the study variables. Data were collected through a survey method using a structured questionnaire distributed among undergraduate students, both male and female, in Kathmandu. A total of 191 respondents participated in the study, providing a sufficient sample size to generate meaningful statistical analysis. The questionnaire consisted of items measured on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), enabling the quantification of respondents' attitudes and opinions on various statements. The data analysis primarily involved descriptive statistics to summarize the demographic characteristics and central tendencies of the responses. This methodological approach facilitated a clear understanding of the current status and perceptions of green banking and green investment among the sample population.

Results

The data was collected by floating questionnaire among employees (male and female) of Kathmandu Valley. This section covers the respondents' demographic profile and how it was analyzed and interpreted on the basis of the primary information gathered through questionnaires. This will make it easier to understand the demographic traits of the respondents. The profile of the respondents comprises the respondent's gender, marital status, age, work experience, and educational background.

Table 1: Sample Distribution of Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	87	45.5	45.5	45.5
	Female	104	54.5	54.5	100.0
	Total	191	100.0	100.0	

The result of the study shows that respondents were inquired as gender male and female. Out of 191 respondents, 87(45.5%) were males and remaining 104 (54.5%) were females.

Table 2: Sample Distribution of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BBA	90	47.1	47.1	47.1
	BHM	30	15.7	15.7	62.8
	BHCM	34	17.8	17.8	80.6
	BBS	36	18.8	18.8	99.5
	BSW	1	.5	.5	100.0
	Total	191	100.0	100.0	

The majority of respondents were pursuing a Bachelor of Business Administration (BBA) degree, making up 47.1% of the total participants. Students from the Bachelor of Hotel Management (BHM) program made up 15.7% of the sample. About 17.8% of students were studying Bachelor of Healthcare Management (BHCM). Students pursuing Bachelor of Business Studies (BBS) accounted for 18.8% of the group. Only student (0.5%) was from Bachelor of Social Work (BSW).

This educational mix shows a strong representation of students from management and business-related fields, which is helpful, as these students are likely to be more familiar with banking and investment concepts especially green or sustainable finance.

The result of the survey indicates that, based on educational level of respondents, respondents have some appreciable level of education. The results show that 22(55.0%) of the respondents had their master degree, 17(42.5%) had completed their bachelor's degree, and 1(2.5%) was at the +2 level.

Table 3: Sample distribution of occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	138	72.3	72.3	72.3
	employee	52	27.2	27.2	99.5
	other	1	.5	.5	100.0
	Total	191	100.0	100.0	

Here among 191 respondents, 138(72.3%) are students, 52(27.2%) are employee and other is 0.5% according to their occupation.

Table 4: sample distribution of studying in:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Private college	157	82.2	82.2	82.2
	Government college	34	17.8	17.8	100.0
	Total	191	100.0	100.0	

Out of the 191 undergraduate students who participated in the study: A large majority 157 students (82.2%) are studying at private colleges. The remaining 34 students (17.8%) are enrolled in government colleges.

Perception on Green Banking & Investment

Table 5: Green Banking

Q.No	Question	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
Q9	I worry about greenwashing (false claims) by local financial institutions.	2 (1.0%)	17 (8.9%)	51 (26.7%)	89 (46.6%)	32 (16.8%)
Q10	I prefer government-backed sustainable investment schemes over private ones.	14 (7.3%)	22 (11.5%)	56 (29.3%)	85 (44.5%)	14 (7.3%)
Q11	International green investment standards should apply to Nepalese options.	9 (4.7%)	11 (5.8%)	63 (33.0%)	85 (44.5%)	23 (12.0%)
Q12	Transparent reporting on how green funds are used would increase my trust.	5 (2.6%)	16 (8.4%)	52 (27.2%)	94 (49.2%)	24 (12.6%)
Q13	I plan to learn more about green investment opportunities in Nepal.	5 (2.6%)	10 (5.2%)	35 (18.3%)	101 (52.9%)	40 (20.9%)

Q14	I would switch to a bank that prioritizes sustainability.	8 (4.2%)	8 (4.2%)	45 (23.6%)	88 (46.1%)	42 (22.0%)
Q15	Universities should offer courses on sustainable finance.	5 (2.6%)	7 (3.7%)	32 (16.8%)	109 (57.1%)	38 (19.9%)
Q16	I would recommend green banking products to friends/family.	7 (3.7%)	10 (5.2%)	39 (20.4%)	104 (54.5%)	31 (16.2%)

The survey findings on green banking indicate a generally positive perception toward sustainable financial practices, though certain concerns and preferences are evident. A significant majority (63.4%) expressed worry about green washing by local financial institutions, reflecting a strong desire for authenticity in sustainability claims. Preference for government-backed sustainable investment schemes was evident in 51.8% of respondents, though 29.3% remained neutral, indicating some openness to private-sector options. Applying international green investment standards to Nepalese offerings received 56.5% agreement, while 33.0% were neutral, suggesting a need for awareness on global benchmarks. Transparent reporting emerged as a key trust-building factor, with 61.8% agreeing that clarity on fund usage would increase their confidence. Encouragingly, 73.8% intended to learn more about green investment opportunities, and 68.1% would switch to a sustainability-focused bank. Academic integration of sustainable finance received strong support, with 77.0% agreeing that universities should offer relevant courses. Finally, 70.7% were willing to recommend green banking products to friends or family. Overall, the results reveal a high level of interest and willingness to engage in green banking, coupled with a strong call for transparency, education, and institutional credibility.

Table 6: Green Investment

Q.No	Question	(Strongly Disagree)	(Disagree)	(Neutral)	Agree	(Strongly Agree)
Q1	I am aware of sustainable investment options e.g., green bonds, ESG funds in Nepal.	6 (3.1%)	12 (6.3%)	46 (24.1%)	94 (49.2%)	33 (17.3%)
Q2	I know which Nepalese banks or financial institutions offer green & banking products.	3 (1.6%)	5 (2.6%)	40 (20.9%)	109 (57.1%)	34 (17.8%)
Q3	I understand how sustainable investments differ from conventional ones.	5 (2.6%)	12 (6.3%)	59 (30.9%)	94 (49.2%)	21 (11.0%)

Q4	My university/college has educated me about green financing options.	2 (1.0%)	8 (4.2%)	34 (17.8%)	109 (57.1%)	38 (19.9%)
Q5	Media (news, social media) is my primary source of information on green investment.	11 (5.8%)	18 (9.4%)	39 (20.4%)	102 (53.4%)	21 (11.0%)
Q6	I would invest in green projects to support environment conservation in Nepal.	11 (5.8%)	36 (18.8%)	53 (27.7%)	75 (39.3%)	16 (8.4%)
Q7	Ethical responsibility is more important than high returns when investing.	2 (1.0%)	16 (8.4%)	38 (19.9%)	92 (48.2%)	43 (22.5%)
Q8	I believe green investment can yield competitive long-term profits.	11 (5.8%)	31 (16.2%)	51 (26.7%)	74 (38.7%)	24 (12.6%)

The survey on green investment revealed generally high awareness and positive attitudes among respondents, with some variation across specific aspects. Awareness of sustainable investment options, such as green bonds and ESG funds in Nepal, was relatively strong, with 66.5% agreeing or strongly agreeing, while 8.4% disagreed. Similarly, 74.9% indicated they knew which Nepalese banks or financial institutions offered green banking products, showing a well-informed segment of the population. Understanding the difference between sustainable and conventional investments garnered 60.2% agreement, although nearly one-third (30.9%) remained neutral, suggesting a gap in conceptual clarity. Education from universities or colleges appeared impactful, as 77.0% reported being taught about green financing options. Media emerged as a key information source, with 64.4% relying primarily on news or social media for green investment knowledge. However, willingness to invest in green projects to support environmental conservation in Nepal was lower, with only 47.7% in agreement and a relatively high neutrality of 27.7%. Ethical considerations were valued, as 70.7% agreed that ethical responsibility outweighed high returns, while belief in the profitability of green investment over the long term stood at 51.3%, with notable neutrality (26.7%). Overall, while awareness and ethical inclination toward green investment are strong, actual investment willingness and confidence in profitability remain areas for further development.

Summary



Figure 1: Summary

The average mean comparison shows that Green Investment scored 3.66, while Green Banking scored 3.65 on a five-point scale, indicating that respondents hold a generally positive perception toward both practices. The scores are well above the midpoint value of 2.5, suggesting strong acceptance and favorable attitudes in the study context. The difference between the two means is only 0.01, which is negligible and likely statistically insignificant, implying that respondents perceive both initiatives almost equally. This close similarity in ratings indicates balanced implementation or awareness of Green Investment and Green Banking, with neither seen as substantially more important or effective than the other. Such results suggest that organizations can continue promoting both initiatives in parallel, and, if necessary, integrate their strategies to create synergy without risking any significant shift in public perception.

Discussion

The findings of the research encapsulate the nuances of the perceptions and attitudes of the undergraduate students of Kathmandu towards green banking and sustainable investment. The results illustrate a generation that is responsible, ethics-conscious, and friendly towards sustainable finance but one that remains cautious due to concerns of genuineness and seeking education and transparency.

The high level of awareness of sustainable investment options (Q1, Q2) and media as a primary source of knowledge (Q5) reinforce that green finance ideas are successfully entering public discourse in Nepal. This is consistent with the global trend since media reporting and enhanced digital connectivity have boosted conversation over Environmental, Social, and Governance (ESG) metrics (Zhu et al., 2024). Also to be noted is the fact that a considerable majority (77.0%) reported they were educated on green financing by their university (Q4). This reflects that Nepalese universities are beginning to play a vital role in formulating fundamental

knowledge, and this is a crucial step for the eventual formation of a well-established green finance industry (Acharya et al., 2024).

A major theme that resonates from the findings is an intense need for authenticity and credibility. The high concern regarding greenwashing (Q9) is an expression of a careful and questioning spirit in students. This distrustfulness is a major impediment that needs to be overcome by financial institutions. The fact that students overwhelmingly believe that honest reporting would lead to greater trust (Q12) and international standards must be applied locally (Q11) directly responds to this issue. This is testified by studies observing that a lack of transparency and standardized indicators is among the greatest challenges in green finance, with a tendency to cause skepticism among potential investors (Agrawal et al., 2024; Elsner & Neumann, 2023). The desire for state schemes over private schemes (Q10) could also be explained in the following manner, such that students perceive state management as a means of mitigating the risk of greenwashing and providing legitimacy.

The respondents' firm moral compass is also reflected in the fact that 70.7% opted for ethical duty over high returns (Q7). This is indicative of a shift in values among younger generations, who view investment not as a tool for profit-making but as a way to produce a positive social and environmental impact. This mirrors the core principle of green investment, which aims to provide financial gains alongside environmental sustainability (Huang, 2023; Jain, 2024). However, there is still a wide disconnect between this ethical intention and practice. While strong ethical attitude and awareness exist, the highest of all the investment questions was the lowest for green ventures' personal investment agreement (Q6) at 47.7%. This "attitude-behavior gap" suggests that favorable attitudes have not yet fully translated into investment intentions.

This gap is partly due to a moderate belief in the profitability of green investments (Q8). Only 51.3% are convinced that green investments can produce competitive long-term returns, and a vast majority of the sample is unconvinced of their fiscal viability. This perception of fiscal risk or reduced returns is one of the most well-documented barriers to green finance adoption, particularly in developing economies where financial stability is an uppermost concern (Clark et al., 2018; Rahman et al., 2023). Overcoming this entails presenting successful, profitable green projects in the Nepalese context to instill confidence in their economic feasibility.

The results also reflect a high demand for an agreement on the role of education. High support (77.0%) for universities to offer courses on sustainable finance (Q15) and the high percentage of respondents who want to learn more (Q13) reflect an educational demand for this knowledge. Incorporating sustainable finance into curricula, as the students have demanded, would be a strategic move to produce a future generation of professionals, bankers, and investors able to drive Nepal's green growth (Radha et al., 2025). This aligns with the larger need to build technical skills and capacity, critical for wider take-up (Agrawal et al., 2024).

Finally, the banking-specific behavior intentions—willingness to change to a green bank (Q14) and suggest ecologically friendly offerings (Q16)—are extremely strong. This would mean that those banks that are genuinely concerned about sustainability and can clearly communicate their activities (fixing the greenwashing problem) possess a competitive advantage. This

finding supports the fact that green banking is reconciling finance goals with environmental sustainability and could be a sustainable business reaping the benefits of a growing, aware clientele (Habib & Khan, 2025; Di Tommaso et al., 2025).

Lastly, the debate highlights the role of Nepalese undergraduate students as change agents in sustainable finance. Their concern, moral principles, and favorable behavioral intentions towards green banking are genuine assets. But converting this potential into actual investment and large-scale adoption is contingent upon crucial factors: establishing unwavering credibility through openness and global standards, proving the economic sustainability of green projects, and institutionalizing sustainability learning systematically within curricula and public discourse. Through these areas, policymakers, financial institutions, and educators can effectively harness this positive image to accelerate Nepal's transition towards a sustainable financial system.

Conclusion

The survey reveals a positive attitude toward green banking and investment among respondents, highlighting strong awareness and ethical commitment to sustainability. Most participants value transparency, with many concerned about green washing and favoring government-backed schemes and international standards. Education and media play crucial roles in enhancing understanding of green finance. While a majority express willingness to switch to sustainable banks and recommend green products, actual readiness to invest in green projects is comparatively moderate. Ethical responsibility is prioritized over high returns, though confidence in long-term profitability shows some hesitation. Overall, the findings indicate a growing interest and openness toward green financial practices in Nepal, alongside a clear need for greater transparency, education, and trust-building to convert awareness and positive attitudes into active participation.

Funding: This study received no specific financial support.

Transparency: The authors declare that the manuscript is honest, truthful and transparent, that no important aspects of the study have been omitted and that all deviations from the planned study have been made clear. This study followed all rules of writing ethics.

Competing Interests: The authors declare that they have no competing interests.

Authors' Contributions: All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.

References

- Acharya, S., Shrestha, S. K., Neupane, D., & Mahat, D. (2024). Exploring Green Finance Practices for Advancing Sustainable Development in Nepalese Banking Sector. *NPRC Journal of Multidisciplinary Research*, 1(8), 23–34. <https://doi.org/10.3126/nprcjmr.v1i8.73024>
- Agrawal, R., Agrawal, S., Samadhiya, A., Kumar, A., Luthra, S., & Jain, V. (2024). Adoption of green finance and green innovation for achieving circularity: An exploratory review and future directions. *Geoscience Frontiers*, 15(4), 101669. <https://doi.org/10.1016/j.gsf.2023.101669>
- Clark, R., Reed, J., & Sunderland, T. (2018). Bridging funding gaps for climate and sustainable development: Pitfalls, progress and potential of private finance. *Land Use Policy*, 71, 335–346. <https://doi.org/10.1016/j.landusepol.2017.12.013>
- Di Tommaso, C., Pacelli, V., & Povia, M. M. (2025). Green loans and bank risk: Navigating the path to sustainable finance. *International Review of Economics & Finance*, 101(104138), 104138. <https://doi.org/10.1016/j.iref.2025.104138>
- Elsner, C., & Neumann, M. (2023). Caught between path-dependence and green opportunities – Assessing the impetus for green banking in South Africa. *Earth System Governance*, 18(100194), 100194. <https://doi.org/10.1016/j.esg.2023.100194>
- Habib, A., & Khan, M. A. (2025). Bank financing and green financing: The influence of sustainable practices on investment sensitivity. *Sustainable Futures (Amsterdam, Netherlands)*, 10(100775), 100775. <https://doi.org/10.1016/j.sftr.2025.100775>
- Huang, Z. (2023). Does green investment reduce carbon emissions? New evidence from partially linear functional-coefficient models. *Heliyon*, 9(9), e19838. <https://doi.org/10.1016/j.heliyon.2023.e19838>
- Jain, H. (2024). From pollution to progress: Groundbreaking advances in clean technology unveiled. *Innovation and Green Development*, 3(2), 100143. <https://doi.org/10.1016/j.igd.2024.100143>
- Poudel, A., & Niraula, A. (2024). Customer-Driven Evaluation of Service Quality in Nepal's Banking Sector. *International Journal of Atharva*, 2(2), 149–165. <https://doi.org/10.3126/ija.v2i2.70251>
- Radha, P., Neupane, D., & Sayyed, N. (2025). The Role of HR in Promoting Diversity, Equity, and Inclusion in the Workplace. *NPRC Journal of Multidisciplinary Research*, 2(8), 164–174. <https://doi.org/10.3126/nprcjmr.v2i8.83842>
- Rahman, M. H., Rahman, J., Tanchangya, T., & Esquivias, M. A. (2023). Green banking initiatives and sustainability: A comparative analysis between Bangladesh and India. *Research in Globalization*, 7(100184), 100184. <https://doi.org/10.1016/j.resglo.2023.100184>
- Zhu, N., Aryee, E. N. T., Agyemang, A. O., Wiredu, I., Zakari, A., & Agbadzidah, S. Y. (2024). Addressing environment, social and governance (ESG) investment in China: Does board composition and financing decision matter? *Heliyon*, 10(10), e30783. <https://doi.org/10.1016/j.heliyon.2024.e30783>

Views and opinions expressed in this article are the views and opinions of the author(s), *International Journal of Atharva* shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.