

Sustainable Banking Model in the context of Sustainable Development Funding Gap

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ABSTRACT

This paper aims at exploring the required strategic contents for contextualizing sustainable banking business model to the context of addressing the SDG funding gap. First of all the lack of objectivity, significance and effectiveness are identified as the limitations of the existing sustainable banking business model from the perspective of funding gap in implementing the SDGs. Then the required different impact optimizing strategic contents such as adopting an outside-in approach instead of an inside-out approach, focusing on indirect impacts from core banking activities instead of direct impacts, and peripheral activities are explored throughout the nine building blocks of the business model canvas introduced by Osterwalder & Pigneur (2010) to overcome those limitations. The strategies and features are then amalgamated into an impact-optimizing model through the four components of the basic business model in the value framework. This is exploratory research where existing materials are reviewed, summarized, and analyzed to identify the relevant strategic contents, and, suitable tools, equations, graphs, tables, and frameworks are utilized in explaining and presenting the concepts.

Keywords: Sustainable Banking, SDG Funding Gap, Business Model Innovation, Business Model Canvas, Impact-Optimizing Model, Sustainability Integration

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