

Green Finance and Corporate Performance in State-Owned Banks

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Article Information:

Received: January 21, 2026, Accepted: January 30, 2026, Published: January 31, 2026

Abstract

The problem formulated in this study is whether green finance affects firm value. The green finance indicator is seen from the total and non-MSME KKUB. Indicators of company value include ROA, ROE, and stock returns. The population of this study is all state-owned banks that apply KKUB, namely BRI, BNI, BTN, BSI, and Mandiri. The samples used were four state-owned banks selected by sampling, namely BRI, BNI, BTN, and Mandiri for 2019-2021. Secondary data are used as the basis for analysis, and data collection techniques include content analysis. The analytical techniques employed are Financial Analysis, Data Normality Testing, Descriptive Statistics, and simple linear regression. The results of the analysis show that total green finance has a positive and significant effect on ROE, and non-MSME green finance has a positive and significant effect on ROE and stock returns. Meanwhile, total and non-MSME green finance have no positive effect on ROA, and total green finance has no positive effect on stock returns.

Keywords: Sustainable Business Activity Category (KKUB), Return On Assets, Return On Equity, Stock Return

1. Introduction

Indonesia emitted approximately 1.86 billion tons of carbon dioxide equivalent (CO₂e) in 2019. These data were recorded in the Report on Greenhouse Gas (GHG) Inventory and Monitoring, Reporting, and Verification (MPV), released by the Ministry of Environment and Forestry (KLHK) in 2021. According to the report, in 2019, greenhouse gas emissions from the energy sector accounted for the largest share of national emissions, at 638.8 million tons of CO₂e. Emissions, the largest of which originate from utilization forests and land other than forests (forestry and other land use/FOLU), as well as from fire peat (databoks.katadata.co.id).

Global warming is caused by the perpetrator business only chasing market economy, ignoring environmental damage, such as activities by humans, especially activities involving burning materials, such as burning fossils (coal, oil), earth, and natural gas, which release carbon dioxide (CO₂) and other known gases as greenhouse gases into the atmosphere. The atmosphere contains more greenhouse gases, which increase its insulating capacity and reflect more heat from the Sun. The temperature that occurs globally due to various matters, such as increasing greenhouse gas concentrations, is a consequence of activities carried out by humans, who are partly responsible for the industrial sector, and has started to increase since the mid-20th century (Wildan et al. 2019).

Based on the above problems, financial green is considered as one solution To overcome the problem of global warming. Green finance is defined as support from industry services and finance for growth and sustainable production, with harmony across economic, social, and environmental interests (OJK, 2022).

According to [Berto et al. \(2020\)](#), green financing is the investment of financial capital in environmental and sustainable projects in a growing economy. also means an activity that is efficient in investment and financing, as well as producing a beneficial environment. To support the development of sustainable theory, this is an innovative approach that connects the environment and the finance industry.

As part of Indonesia's commitment to achieving the Sustainable Development Goals (SDGs), various steps and strategies have been undertaken by all parties, including state-owned banks (BUMNbanking), to support financing for sustainable development. Utilization loan sustainable assessed. Still difficult to utilize across the public and private sectors in a push economy, green and sustainable. In the study, this is a state-owned banking company that supports financing for sustainable business activities through distribution financing, the Category Sustainable Business Activities (KKUB), and government strategies to develop instruments for sustainable finance.

Table 1 1of Sustainable Business Activities by State-Owned Banks (Trillion Rupiah) 2020-2021

NO	BANK BUMN	JUMLAH KKUB			GRAFIK
		2019	2020	2021	
	BRI	492.87	562.428	614.2	
	BNI	134.08	143.3	172.4	
	BTN	10.841	9.877	12.023	
	BSI			46.157	
	MANDIRI	148.2	167.3	205.4	

Source: *Sustainability Reports* for BRI, Mandiri , BNI, and BTN 2020-2021

Based on the data in Table I.1, financing for sustainable business activities at Bank BRI, BNI, and Mandiri consistently increased from 2019 to 2021. Meanwhile, at Bank BTN, it decreased in 2020 compared to 2019 and increased again in 2021. Bank BSI was inaugurated by President Jokowi in February 2021. Therefore, the KKUB at Bank BSI was only realized in 2021. Growing global attention to environmental issues demands that banks immediately transform their activities through sustainable business financing, thereby encouraging all economic activities to minimize negative impacts on the climate and environment.

The image below explains the development of company value through share prices, as follows:

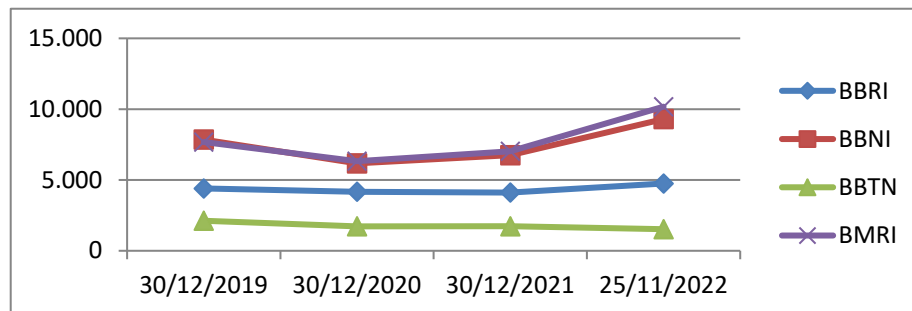


Figure 1. Share Price Per Sheet of State-Owned Banks 2019-2022

The movement of state-owned bank stock prices listed on the Indonesia Stock Exchange for the 2019-2022 period: the share price of Bank BRI reached IDR 4,400 in 2019, declined in 2020 and 2021, and on November 25, 2022, increased to IDR 4,750. The share price of Bank BNI was IDR 7,850 in 2019; it decreased to IDR 6,175 in 2020, increased to IDR 6,750 in 2021, and, on November 25, 2022, increased to IDR 9,300. In 2019, Bank BTN's share price was Rp 2,120, and decreased from 2020 to 2022. In 2019, Bank Mandiri's share price was Rp 7,675; in 2020, it decreased to Rp 6,325, and in 2021 to 2022, it generally increased from the previous year.

This unstable stock price movement may be attributable to the ineffective implementation of KKUB, resulting in significant fluctuations and diverse trends. In 2020, the company's value through stock prices at each bank decreased on average, which was in line with the increase in financing for sustainable business activities (KKUB).

Based on the problem formulation above, this study aims to assess the influence of green finance on the performance of state-owned banks in Indonesia.

Benefits for the Author: The results of this study are to determine the Effect of Green Finance on Company Performance at State-Owned Banks in Indonesia. Benefits for the Research Site The results of this study are expected to provide benefits to all State-Owned Bank companies in Indonesia. Benefits for the Alma Mater. The results of this study are expected to serve as additional references, increase knowledge, and can be a reference or study for the author in the future.

2. Literature Review

Green finance

Based on a study conducted by a team from [Pricewaterhouse Coopers Consultants \(PWC\) \(2013\)](#) regarding the implementation of green financing in China, green financing is defined as financial products and services that use environmental factors in credit decision-making, stimulate the emergence of a responsible investment environment, and encourage the creation of environmentally friendly technology for industrial and business projects.

Company performance

[Agnes \(2002\)](#) states that company performance is an achievement demonstrated by a company. In other words, company performance is the extent to which a company achieves its goals. If company performance improves, it is typically reflected in the company's intensified activities aimed at maximizing profits.

Company value is an investor's assessment of a company's success, often reflected in its stock price. A high stock price will increase a company's market value ([Krisnadwipayana & Puspitaningtyas, 2016](#)). A high company value will increase market confidence in the company's performance and future prospects. Company value is achieved when public trust in the company is established through a process of activities spanning several years, from the company's founding to the present.

In the research, this type of mark was acquired by a company, as evidenced by the book and market value. Book value seen from performance finance (proxied with (ROA) Return On Asset and (ROE) Return on Equity). Market value is inferred from stock returns.

Company Value Based on Book Value

Book value is either the issuer's market share or the company's market capitalization based on draft accounting. In simple terms, the difference between total assets and total debt equals the number of shares in circulation ([Krisnadwipayana and Puspitaningtyas, 2016](#)).

According to [Titman et al. \(2018\)](#), a value book is marked from existing assets on the balance sheet. This value represents the historical cost of current or ongoing assets. Book value can be viewed from several ratios, including liquidity, solvency, activity, and profitability. Research on book value focuses on the use of financial ratios, with profitability ratios as the benchmark.

Company Value seen from Market Value

[Krisnadwipayana & Puspitaningtyas \(2016\)](#). Market value is the price of a stock, typically the closing price or the price reached through trading in the stock market. This value can only be determined if the company's shares are sold on the stock market. The measure of market value in this study is stock returns.

Return is the result obtained from an investment. Meanwhile, shares are evidence of ownership of the assets of the company that issues them. By owning shares in a company, investors have rights to the company's income and assets, after deducting all company obligations ([Fahmi, 2011](#)).

Meanwhile, stock returns are the profits earned by investors from a stock investment. Stock returns can be realized returns that have already occurred or expected returns that have not yet occurred but are expected to occur in the future ([Jogiyanto, 2017](#)).

Previous Research

Research ([Hanif et al., 2018](#)) . Analysis of *Green Financing Implementation* and Financial Performance on General Banking Profitability in Indonesia. The results show an influence of *Green Banking* on *Net Profit Margin* (NPM). If the *net profit margin* increases, *green banking* can also be improved.

Research ([Siahaan et al., 2021](#)) . *Green banking* on the profitability of Islamic commercial banks in Indonesia. The results of the study show 1) Non-Cash Transactions (TNT), Green

Banking Policy (KGB), Total Assets (TA), Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Operating Expenses to Operating Income (BOPO), Loan to Deposit Ratio (LDR) simultaneously have a significant effect on Return on Assets in Banking listed on the Indonesia Stock Exchange for the period 2012-2018. 2) Non-Cash Transactions partially have a negative and insignificant effect on ROA in banking listed on the Indonesia Stock Exchange for the period 2012-2018. 3) *Green banking policy* partially has a positive and insignificant effect on ROA in Banking listed on the Indonesia Stock Exchange for the period 2012-2018.

Research ([Anggraini et al., 2020](#)) . Analysis of *Green Banking Sustainability Implementation* and Financial Performance on Banking Profitability Listed on the Indonesia Stock Exchange in 2012-2018. The results of the study show 1) Daily *green banking operations* have a significant positive effect on ROA. 2) *Green Banking policies* have an insignificant negative effect on ROA. 3) CAR has an insignificant positive effect on CAR. 4) NPL has an insignificant positive effect on ROA. 5) BOPO has an insignificant negative effect on ROA. 6) LDR has an insignificant positive effect on ROA.

Study ([Wijaya dan Selvira, 2022](#)) . The Influence of Green Finance, Volatility, Risk, and Regulation On Investment Decisions *after Covid-19* in Indonesia. Research results show that variables such as oil price volatility and control firm size are not significantly influential on investment decisions, while the risk variable has a positive and significant influence on investment *decisions* .

Study ([Rapi et al., 2023](#)) . *Green Finance for the Era of Post COVID-19: A Systematic Literature* . Research results show the need for development of global sustainability has pushed studies. To this end, various tools have been used to highlight the profit from development. Next, the tool state regulations for finance green have been proposed . Operation daily green banking, capital adequacy, and bank liquidity impact positive on bank profitability.

Research by ([Hasanah & Slamet, 2022](#)) . Analysis of *Green Financing Implementation* and Financial Performance on General Banking Profitability in Indonesia. The results of the study indicate that the implementation of *green financing* has not had a positive impact on company profits because the implementation of *green financing reporting* in Islamic banking only began in 2018 in line with regulations issued by the government with the issuance of OJK Regulation No. 51 of 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies to clarify the implementation of sustainable finance in Indonesia.

Study [Fitriani & Sisdianto \(2024\)](#). Islamic Green Banking Dalam Mendukung Sustainable Development Goals. The research results show that *green banking* is among the efforts to shift the paradigm of national development from a resource-intensive economy to a green economy.

Research [Andarsari & Firdiansyah. \(2020\)](#). Penerapan Praktik Green Banking Pada Bank BUMN di Indonesia. The results of the study show that almost all State-Owned Banks have implemented green banking practices and reported them in their annual reports and bank sustainability reports for 3 consecutive years, namely 2017, 2018 and 2019. Even in 2019, green banking practices have been implemented 100% by these State-Owned Banks.

3. Research Methods

The type of research used in this study is quantitative . The sample collection technique in this study was *purposive sampling*. The criteria used in determining the sample for this study were state-owned banks listed on the Indonesia Stock Exchange that implemented *Green Finance* in 2019-2021. The data in this study were secondary data and the data analysis techniques used were descriptive statistics and simple linear regression analysis.

Table 2. Operational Variables

Variables	Indicator	S kala
Company performance	1. Book value	Ratio
	a. ROA & ROE	
	2. Market value	
Green Finance	a. Stock Returns	Business Ratio
	1. Category Sustainable Activities	
	a. Green finance total	
	b. Non-MSME Green Finance	

Data Analysis Techniques

Analysis Finance

Return on Assets (ROA) measures the extent to which net profit is generated from a company's total assets.

$$ROA = \frac{\text{Laba Bersih Sebelum Pajak}}{\text{Total Aset}} \times 100\%$$

Return on Equity (ROE) is the ratio used to measure a company's ability to produce profit from the company's own capital.

$$ROE = \frac{\text{Net income}}{\text{LAverage shareholders' equity}} \times 100\%$$

Stock Return is the profit earned by investors from holding sharesheld. Stock returns can be in the form of realized returns that have happened or expected returns that have not been met but are expected to happen in the future.

$$R_t = \frac{P_t - P_{t-1}}{P_{t-1}}$$

Information:

R_t = Stock return in period t

P_t = Stock price period t

P_{t-1} = Stock price period t-1

4. Results And Discussion

Analysis of Financial Ratios

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Table 3. Green Finance BUMN Bank Sample 2019-2021 (Billions)

BANK	GREEN FINANCE TOTAL			NON-MSME GREEN FINANCE		
	2019	2020	2021	2019	2020	2021
BRI	492,874	562,428	614,200	97,990	78,028	70,800
BNI	134,077	143,300	172,400	29,267	29,950	55,389
BTN	10,841	9,877	12,023	2,417	2,880	6,189
BMRI	148,197	167,300	205,400	60,013	77,300	101,900

Source: Sustainability Reports BRI, Mandiri, BNI, BTN 2020-2021

Based on Table 3, it shows that BTN Bank is the bank that implements the lowest green finance compared to other state-owned banks .

Table 4. Return on Assets (ROA) of BUMN Banks 2019-2021

State-Owned Bank	Return on Assets (ROA)		
	2019	2020	2021
BRI	3.50	1.98	2.72
BNI	2.4	0.5	1.4
BTN	2.25	1.41	2.23
Independent	3.03	1.64	2.53

Source: Data Processing Results for BRI, Mandiri, BNI, and BTN Banks 2019-2021

Table 4 shows that, across the company, samples from year to year exhibit fluctuations. In 2020, all banks experienced fluctuations in ROA. Declined compared to the previous year, and in 2021 all banks experienced an improvement in returns compared to the previous year.

Table 5. Return on Equity (ROE) of BUMN Banks 2019-2021

State-Owned Bank	Return on Equity (ROE)		
	2019	2020	2021
BRI	19.41	11.05	16.87
BNI	14.0	2.9	10.4
BTN	9.94	6.12	8.57
Independent	15.08	9.36	16.24

Source: Data Processing Results for BRI, Mandiri, BNI, and BTN Banks 2019-2021

Table 5 indicates that the company sample exhibits year-to-year fluctuations. In 2020, all banks experienced fluctuations in ROE. decline compared to the previous year, and in 2021 all banks experienced an improvement in return compared to the previous year.

The decline in profit levels at state-owned banks in 2020 indicates that the performance of companies at these banks is less effective and efficient in generating clean profits from assets and from their own capital.

Table 6. State 1 Stock Returns 2019-2021

State-Owned Bank	STOCK RETURN
------------------	--------------

	2019	2020	2021
BRI	0.2022	-0.0523	-0.0144
BNI	-0.108	-0.2134	0.0931
BTN	-0.1654	-0.1863	0.0029
Independent	0.0407	-0.1759	0.1107

Source : Data Processing Results for BRI, Mandiri , BNI, and BTN Banks 2019-2021

Based on Table 6 it shows that in 2020 stock returns reach point the lowest in every state-owned bank.

Statistical Analysis

Data Normality Test

Table 7. Normality Test Results *Green Finance* On ROA, ROE, and Return Share

	Kolmogorov-Smirnov ^a		
	Statistics	Df	Sig.
<i>Green Finance</i> Total	0.282	12	0.009
Non-MSME <i>Green Finance</i>	0.143	12	0.200
ROA	0.131	12	0.200
ROE	0.134	12	0.200
Stock Returns	0.508	12	0.200

Source: Data Processing results.

Table 7 of the Kolmogorov-Smirnov data normality test **shows that the variables' total green finance significance is $0.009 < 0.10$** . Therefore, it can be concluded that only variable data are fully distributed in the abnormality of green finance.

Table 8. Analysis Test Statistical Data Descriptive

	N	Range	Min	Max	Mean	Standard Deviation
<i>GF</i> UMKM	12	99483	2417	101900	51010.25	36071.776
<i>GF</i> Total	12	604323	9877	614200	222743.08	213595.120
ROA	12	345	5	350	181.00	115,326
ROE	12	1912	29	1941	961.42	650,764
Stock Returns	12	.416	-.213	.202	-.03884	.134340
Valid N (listwise)	12					

Source : Data Processing results

Based on Table 8,, we can describe distribution of data obtained by researchers is :

Variables non-UMKM *green finance* can be described by the average value (Mean) 51,010.25, the distance from the minimum and maximum values (range) 99,483. The total green finance can be described by the mean (222,743.08) and the range (604,323).

The ROA variable can be described by the mean (181.00) and the range (3.45) from the minimum and maximum values. The ROE variable can be described as the average value (Mean) 961.42, the distance from the minimum and maximum values (range) 19.12. Stock

return variable can be described that average value (Mean) -.03884, value distance from minimum and maximum values (range) 0.416

Simple Linear Regression Analysis

Table 9. Simple Linear Regression Test Results: Total *green finance* on ROA, ROE, and Stock Returns

Variables	ROA	ROE	Stock Returns
Constant	0.018	0.088	-0.097
Green Finance Total	1.499E-08	1.288E-07	2.629E007
Std. Error	0.000011	0.000058	0.000181
t	1,356	2,219	1,455
Sig	0.205	0.051	0.176

H1: Total *Green Finance* Against ROA

If *green finance* totals one hundred million, then ROA will increase by 14.99%. This means if *Green Finance* Total (β_1) 1.499 indicates that every increase one hundred million in *green finance* total 64

will follow, with an improved ROA of 14.99%.

The similarities as following:

$$Y (\text{ROA}) = 0.018 + 1.49908$$

H 2: Total *Green Finance* Against ROE

If the total *green finance* is 100 million, the ROE will increase by 12.88%. This means that, if *G Green Finance* Total (β_1) = 1.288, then a 1% increase in total green finance is associated with a 12.88% increase in ROE. The equation as following :

$$Y (\text{ROE}) = 0.088 + 1.288-07$$

H 3: Total *Green Finance* on Stock Returns

If *green finance* totals 100 million, the stock return will increase by 26.29%. This means that, if *Green Finance* Total (β_1) = 2.629, an increase of 100 million in total green finance is associated with a 26.29% improvement in stock returns. The equation as follows:

$$Y (\text{Return}) = -0.097 + 2.629007$$

Table 10 Simple Linear Regression Test Results Non-MSME *Green Finance* on ROA, ROE, and Stock Returns

Variables	ROA	ROE	Stock Returns
Constant	0.016	0.071	-0.158
Non-MSME Green Finance	9.583E-08	8.880E-07	2.327E-006
Std. Error	0.000064	0.000312	0.000920
T	1,487	2,842	2,530
Sig	0.168	0.017	0. .030

H 4: Impact of Non-MSME *Green Finance* on ROA

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If Non-UMKM *green finance* is set at 100 million, then ROA will increase by 95.83%. This means that, for Green Finance Non-UMKM (β_1) 9.583, each increase of 100 million in non-UMKM green finance is associated with a 95.83% increase in ROA. The equation is as following:

$$Y(\text{ROA}) = 0.016 + 9.58308$$

H 5 : The Impact of Non-MSME *Green Finance* on ROE

If Non-UMKM *green finance* is the same as one hundred million, then ROE will increase of 88.80%. This means if *Green Finance* Non-UMKM (β_1) 8.880 shows that every increase one hundred million in non-UMKM *green finance* will follow with improvement ROE value of 88.80%. The equation as following:

$$Y(\text{ROE}) = 0.071 + 8.88007$$

H 6 : The Impact of Non-MSME *Green Finance* on Stock Returns

If Non-UMKM *green finance* is the same as one hundred million, then the stock return will increase by 23.27%. This means that, for Green Finance Non-UMKM ($\beta_1 = 2.327$), each increase of 100 million in non-UMKM green finance is associated with a 23.27% improvement in the stock return. The equation is as follows:

$$Y(\text{Return}) = -0.158 + 2.327006$$

Slope test or regression coefficient

Table 11. Slope test or coefficient regression Total *green finance* on ROA, ROE, Stock Return

Variables	ROA	ROE	Stock Returns
Constant	0.018	0.088	-0.097
<i>Green Finance</i> Total	1.499E-08	1.288E-07	2.629E007
Std. Error	0.000011	0.000058	0.000181
T	1,356	2,219	1,455
Sig	0.205	0.051	0.176

Source: Data Processing results.

Table 11 shows the influence and relationships among variables: Total green finance, ROA, ROE, and Stock Return. The t-value is 1.81246, with a significant p-value of 0.10.

H1: Total *Green Finance* on ROA

Green finance total t-value < t-table ($1.356 < 1.81246$). Significance value total green finance is 0.205, which is much bigger than 0.10, meaning H_0 is accepted, and H_a is rejected. It can be concluded that the variables total green finance do not have a significant positive or negative influence on ROA.

H2: Total *Green Finance* on ROE

Green finance total t-value > t-table ($2.219 > 1.81246$). The p-value for the total green finance variable is 0.051, which is slightly below 0.10, indicating that H_0 is rejected and H_a is accepted. It can be concluded that the variable green finance total has a positive and significant influence on ROE.

H3: Total Green Finance Against Stock Returns

Green finance total t-value < t-table (1.455 < 1.81246). Significance value total green finance is 0.176, which is much bigger than 0.10, meaning H_0 is accepted, and H_a is rejected. It can be concluded that the variables total green finance do not have a significant positive or negative influence on return share.

Table 11 Slope test or coefficient regression Non MSME *green finance* on ROA, ROE, Stock Returns

Variables	ROA	ROE	Stock Returns
Constant	0.016	0.071	-0.158
Non-MSME <i>Green Finance</i>	9.583E-08	8.880E-07	2.327E-006
Std.Error	0.000064	0.000312	0.000920
T	1,487	2,842	2,530
Sig	0.168	0.017	0. .030

Source : SPSS Version 20 results.

Based on Table 12, which shows how influence and relationships between variables total green finance on ROA, ROE, and Stock Returns, the t-value is 1.81246 with a significance of 0.10.

H4: Non-MSME Green Finance on ROA

Green finance Non-MSMEs t-value < t-table (1.487 < 1.81246). The significance value for green finance (non-MSMEs) is 0.168, which exceeds 0.10, indicating that H_0 is accepted and H_a is rejected; thus, the green finance variable (non-MSMEs) does not have a positive, insignificant influence on ROA.

H5: Non-MSME Green Finance on ROE

Green finance Non-MSMEs t-value < t-table (2.842 > 1.81246). The p-value for the green finance non-MSMEs variable is 0.017, which is less than 0.10, indicating that H_0 is rejected and H_1 is accepted; thus, the *green finance variable* non-MSMEs has a positive and significant influence on ROE.

H6: Green Finance Non-MSMEs Against Stock Returns

Green finance Non-UMKM t-value > t-table (2.530 > 1.81246). The significance value of *green finance* non-UMKM is 0.030 smaller than 0.10, meaning H_0 is rejected, and H_a is accepted; therefore, it can be concluded that the *green finance variable* non-UMKM has a positive and significant influence on stock returns.

Discussion of Research Results

H1: Influence Total Green Finance Against ROA

Based on the study results, total green finance does not have a significant positive or negative effect on ROA. Judging from the total *green finance*, a calculated t-value < t-table value or significance > 0.10 indicates that H_0 is accepted and H_a is rejected. The influence of the total *green finance variable* on ROA is 15.5%, with the remainder attributable to variables not examined in this study.

H2: Influence Total *Green Finance* Against ROE

Based on the research results, the *green finance variable* has a positive and significant influence on ROE. Judging from the total *green finance* has a calculated t value > t table or a significance value < 0.10, meaning H_0 is rejected and H_a is accepted. The effect of total *green finance* on ROE is 33%, the remainder is influenced by other variables outside this study.

H3: Influence Total *Green Finance* on Stock Returns

Based on the study's results, the total green finance variable does not have a significant positive or negative effect on stock returns. Judging from the *green finance total* has a calculated t value < or a significance value > 0.10, meaning H_0 is accepted and H_a is rejected. The effect of the total *green finance variable* on stock returns is 17.5%, with the remainder attributable to variables not examined in this study.

H4: The Influence of Non-MSME *Green Finance* on ROA

Based on the research results, the non-MSME *green finance variable* has no positive effect on ROA. Judging from the non-MSME *green finance*, the calculated t value < t table or a significance value > 0.10, meaning H_0 is accepted and H_a is rejected. The effect of the non-MSME *green finance variable* on ROA is 18.1%, and the remainder is influenced by other variables outside this study.

H 5: Influence The Impact of Non-MSME *Green Finance* on ROE

Based on the study results, the non-UMKM green finance variables have a positive and significant influence on ROE. Judging from the non-MSME *green finance*, the calculated t value is > t table or a significance value < 0.10, meaning H_0 is rejected and H_a is accepted. The effect of the non-MSME *green finance variable* on ROE is 44.7%, and the remainder is influenced by other variables outside this study.

5. Conclusion

green finance variable does not have a positive and insignificant effect on ROA. The total *green finance* variable has a positive and significant influence on ROE. The total *green finance* variable does not have a positive and insignificant effect on stock returns. The non-UMKM *green finance* variable does not have a positive and insignificant effect on ROA. The non-UMKM *green finance* variable has a positive and significant influence on ROE. The non-UMKM *green finance* variable has a positive and significant influence on stock returns.

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