

ABSTRACT

Bank profitability performance is a key indicator in assessing the health and competitiveness of banks, especially amid global economic pressures and the prolonged impact of the COVID-19 pandemic. One strategy that banks are starting to adopt to maintain profitability while supporting sustainability is the implementation of green banking. Green banking encourages the distribution of financing to environmentally friendly sectors as a form of social and environmental responsibility. This study aims to analyze the effect of green banking on bank profitability with company size as a moderating variable, in banking companies listed on the Indonesia Stock Exchange (IDX) for the period 2021-2024. This research uses quantitative methods with secondary data in the form of annual reports and sustainability reports. The analysis was conducted with multiple linear regression using SPSS version 27, with a sample of 41 companies for four years of observation, resulting in a total of 164 observations. The results showed that green banking has a positive effect on bank profitability. Company size is proven to strengthen this relationship, where large-scale banks are better able to manage green banking policies effectively and efficiently, thereby encouraging increased profits. Meanwhile, the control variable COVID-19 has a negative effect on profitability, indicating that economic pressures during the pandemic have a direct impact on the decline in bank financial performance.

Keywords: Green Banking, Bank Profitability, Bank Size, COVID-19

