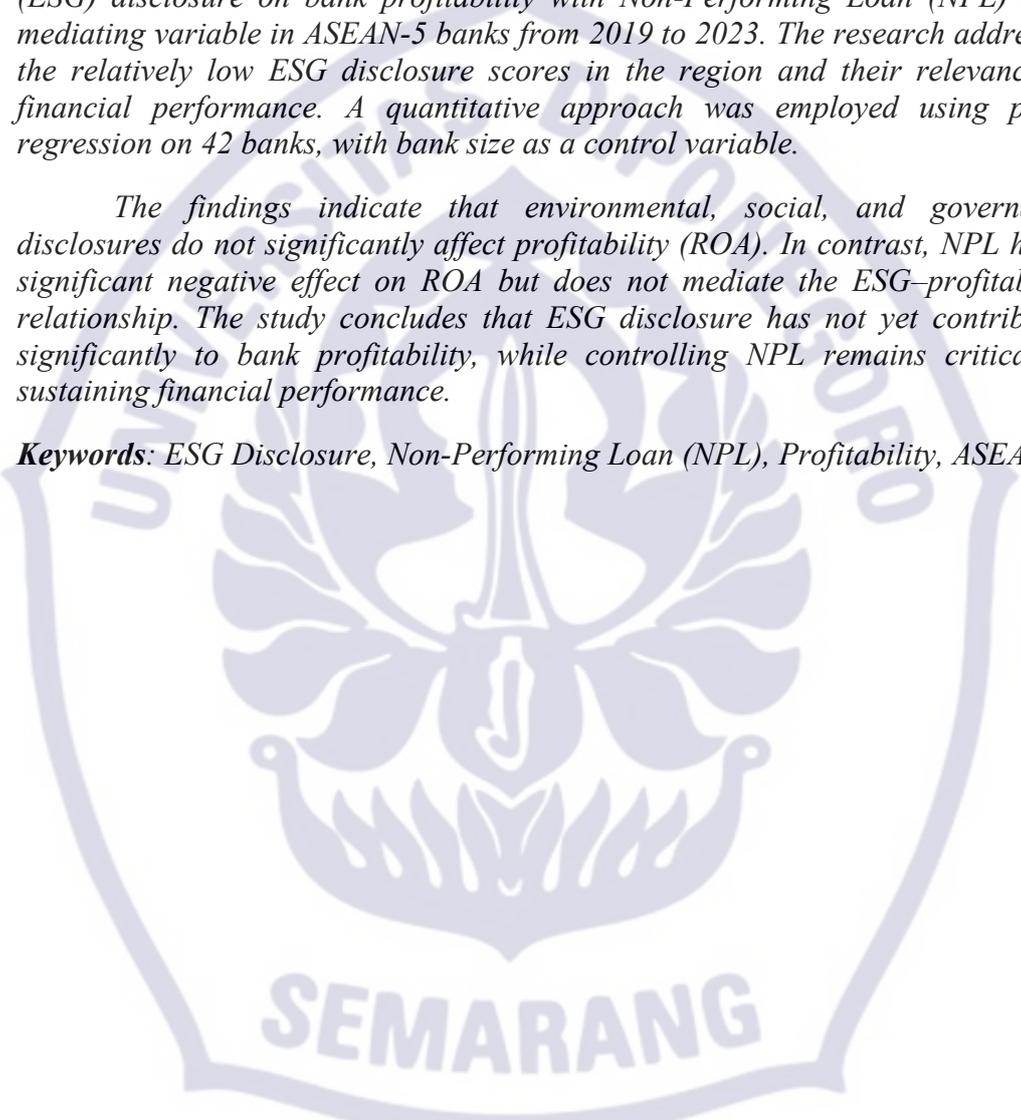


ABSTRACT

This study analyzes the effect of Environmental, Social, and Governance (ESG) disclosure on bank profitability with Non-Performing Loan (NPL) as a mediating variable in ASEAN-5 banks from 2019 to 2023. The research addresses the relatively low ESG disclosure scores in the region and their relevance to financial performance. A quantitative approach was employed using panel regression on 42 banks, with bank size as a control variable.

The findings indicate that environmental, social, and governance disclosures do not significantly affect profitability (ROA). In contrast, NPL has a significant negative effect on ROA but does not mediate the ESG–profitability relationship. The study concludes that ESG disclosure has not yet contributed significantly to bank profitability, while controlling NPL remains critical in sustaining financial performance.

Keywords: *ESG Disclosure, Non-Performing Loan (NPL), Profitability, ASEAN-5*



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