

**ANALYSIS OF THE INFLUENCE OF *GREEN FINANCING*
AND FINANCIAL INTERNAL PERFORMANCE ON
BANKING PROFITABILITY IN INDONESIA PERIOD
2017-2025**

ABSTRACT

This study aims to analyze the effect of Green Financing proxied through loans in the Sustainable Business Activity Category (KKUB), Operating Costs to Operating Income (BOPO), Capital Adequacy Ratio (CAR), and Non-Performing Loans (NPL) on the Profitability of banks proxied by Return on Assets (ROA) at Bank KBMI 3 and KBMI 4 in Indonesia for the period 2017-2025. The research used a quantitative method with panel data analysis in 14 KBMI 3 and KBMI 4 Banks. The results of the study show that Green Financing has a positive and significant effect on ROA. Meanwhile, BOPO, CAR, and NPL have a negative and significant effect on ROA. These findings show that increasing Green Financing can increase bank profitability, while high operational inefficiencies, suboptimal capital, and credit risk can reduce profitability. The results of this study are expected to be input for banks and policymakers in improving financial performance through sustainable financing, operational efficiency, and better capital management and credit risk.

Keywords: *Green Financing, Operating Costs to Operating Income (BOPO), Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Banking Profitability.*