



Analysis of the Effects of Green Banking, Capital Adequacy Ratio on Profitability Growth with Institutional Ownership as a Moderating Variable

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ABSTRACT

The goal of this study is to examine a number of variables that can affect profitability growth, such as institutional ownership as a moderating component, green banking, and capital sufficiency. The study is a quantitative one that gathers secondary data from 11 Indonesian public Sharia banks' financial reports for the years 2018 to 2022. Panel data regression analysis is the method employed, and Excel and Eviews 12 are used as test tools. The study's findings indicate that all free variables have a limited interdependence. Modernizations like institutional ownership and green banking have no detrimental effects on profitability growth. The accessibility of capital and the institutional ownership that modernizes it have a profoundly positive impact on profitability growth.

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Abstrak : Tujuan penelitian ini ialah untuk melihat beberapa faktor yang dapat mempengaruhi pertumbuhan profitabilitas, di antaranya green banking, kecukupan modal, kepemilikan institusional sebagai variabel moderasi. Jenis penelitian berupa penelitian kuantitatif, dengan pengambilan data sekunder yang berasal dari laporan keuangan milik 11 bank umum syariah di Indonesia dari tahun 2018-2022. Teknik yang digunakan adalah analisis regresi data panel menggunakan alat uji berupa eviews 12 dan microsoft excel. Hasil penelitian menunjukkan bahwa semua variabel bebas secara parsial mempengaruhi variabel bebas secara bersama-sama. Green banking dan kepemilikan institusional yang memoderasinya tidak berpengaruh secara negatif terhadap pertumbuhan profitabilitas. Kecukupan modal dan kepemilikan institusional yang memoderasinya mampu secara positif signifikan mempengaruhi pertumbuhan profitabilitas.

Kata kunci: Green Banking, Kecukupan Modal, Kepemilikan Institusional dan Pertumbuhan Profitabilitas.

A. INTRODUCTION

Basically, profitability growth plays an important role in measuring the performance of a specific bank, as it indicates the profit gained by the bank in its operations (Farida & Putriani, 2019). Profitability represents the value that reflects the bank's ability to obtain profit (Fadhila & Haryanti, 2020; Muchtar & Rofi, 2020; Murtadlo & Nuraeni, 2019). Good profitability growth can have an impact on various aspects such as business sustainability and success, attracting investors to invest in the bank, building customer trust, and the ability to face economic challenges (Muchtar et al., 2019). Considering the many factors that can be influenced by good profitability growth, the company's operations must also be capable of supporting profitability growth (D. Anggraini et al., 2020).

The past five years have shown good profitability growth in the Islamic banking sector in Indonesia. This can be seen from the sustained profit growth during the COVID-19 pandemic (Hutauruk, 2021; Masruron & Safitri, 2021). The resilience of Islamic banking during the pandemic has led researchers to examine the operational aspects implemented by these banks.

Operational practices have evolved with the advancement of time. The profitability-oriented operations of banks now not only consider the feedback from their activities but also the impact of these operations on the surrounding environment (D. Anggraini et al., 2020). It is widely agreed upon that the operational aspect of banks plays an important role in addressing environmental issues resulting from their activities (Nurmalia et al., 2021). Therefore, the government has tightened its operational risk standards to minimize the impact caused by banks, by implementing the concept of environmentally friendly green banking (Otoritas Jasa Keuangan, 2020). Green banking is a banking approach that goes beyond economic value and incorporates operations that focus on mitigating the environmental impact and minimizing such effects (Simanungkalit & Mayangsari, 2020). However, the implementation of green banking is still relatively new in Indonesia, and there is limited research on this topic (S. Anggraini et al., 2022).

The government has clearly stipulated the implementation of green banking operations in the Indonesian Constitution of 1945 implicitly through PBI No. 8/21/PBI/2006 and circular letter No. 8/22/DPbS issued by Bank Indonesia (Hanif et al., 2020). Several studies have explored the relationship between green banking operations and profitability growth, indicating that green banking operations have a significant positive influence on profitability growth (S. Anggraini et al., 2022; Hanif et al., 2020; Rachman & Saudi, 2021; Ratnasari et al., 2016). However, there are also studies that found no significant

impact of green banking operations on profitability growth (D. Anggraini et al., 2020; Asfahaliza & Anggraeni, 2022). This discrepancy may arise from the fact that environmental issues are not directly included in the operational aspects that generate profits for banks. However, research indicating a relationship suggests that green banking operations show a connection when they are focused on financing customers' activities that do not have adverse environmental impacts. Therefore, the allocation of funds is not explicitly for environmental preservation but rather for cautious and stricter financing decisions and the impact of what the bank finances.

The implementation of new operational practices in banks brings about significant operational risks, making the determination of capital adequacy an important consideration. The purpose of capital adequacy is to ensure that capital flows clearly in the bank's financing activities, aligning with the expected profitability growth of the respective bank (Ritonga, 2014; Setyarini et al., 2021). Research on the relationship between capital adequacy and profitability growth has yielded diverse results. Some studies found a significant positive effect of capital adequacy on profitability growth (Ardheta & Sina, 2020; Prasita Damayanti & Aisjah, 2019; Zul Fahmi et al., 2016). However, there are also studies that found no significant positive or negative effect of capital adequacy on profitability growth (Aryfudin & Mulyadi, 2020; Asriany, 2021; Astuti, 2019; Khasanah et al., 2022; Moorcy et al., 2020; Nuryanto et al., 2020; Ramadhani, 2018). This discrepancy may be due to high capital adequacy ratios leading to a lack of bank efficiency in expanding operations, resulting in a significant amount of capital reserves being used to cover losses.

The results regarding the relationship between green banking operations, capital adequacy, and profitability growth are also quite diverse. Therefore, the author wishes to further explore the validity of the results regarding the relationship between these variables. The author also introduces institutional ownership as a moderating variable with the aim of influencing the effects of green banking operations and capital adequacy on profitability growth (Karyani & Obrien, 2020; Sembiring, 2020; Yuliandhari et al., 2022). Based on the previous discussion, this research is important to identify the various factors that can influence the profitability growth of a bank. In this study, the researcher will investigate the effects of green banking, capital adequacy, and institutional ownership as a moderating variable on profitability growth as the dependent variable. However, it is important to note that there are many other factors beyond the variables being studied that can impact

profitability growth. Therefore, this research aims to contribute to the literature on the scientific understanding of each research variable.

B. THEORITICAL REVIEW

1. Green Economy

Green economy is defined as a concept where a bank serves as a mediator between economic programs and environmental issues, implementing green investments and social responsibility in its activities (Ria et al., 2023). In more detail, green economy can be defined by several indicators:

- a. Carbon emissions: Carbon emissions occur as a result of combustion residues from burning engines. These residues typically include carbon dioxide and methane gases, which accumulate in the atmosphere and contribute to the thinning of the ozone layer. The goal of this indicator is to minimize the causes of carbon emissions.
- b. Green rewards: This indicator assesses whether banks or companies that promote green economy initiatives receive recognition from society based on their vision and mission in environmental awareness. This indicator demonstrates that the company has fulfilled its duties to the best of its ability.
- c. Green building: This indicator describes a company that has constructed or operates a workplace or building in the community with the purpose of preserving the environment.
- d. Reuse/recycle/refurbish: This indicator signifies that waste generated by an institution or company is not immediately discarded but undergoes waste segregation and processing. If possible, the waste is reused to reduce its impact on the community.
- e. Paperwork/paperless: This indicator emphasizes the reduction of paper usage in documentation or archiving by a particular company. By reducing paper production, which relies on processed tree trunks, this small step contributes to forest conservation and reduces mass deforestation. Companies can rely on technology as an alternative to paper in document archiving or conducting transactions, promoting a shift to online transactions.
- f. Green investment: This indicator represents capital investments made by a company to support its vision and mission in environmental preservation. Green investments are typically made when a company develops new products or undertakes projects related to environmental

conservation, using materials that have minimal impact on the surrounding environment (Nurmalia et al., 2021; Ria et al., 2023).

2. Legitimacy

Legitimacy refers to a company's adaptation and compliance with the regulations and norms applicable in its operating environment (Nurmalia et al., 2021). It involves demonstrating that the company's operations and activities align with the prevailing standards within society (Tampubolon & Siregar, 2019). This is done to build trust, as the community is seen as a provider of funding and financial resources for the company. Legitimacy can also be seen as the continuous disclosure by a company striving to adhere to the boundaries set by society, where the controlling shareholders are expected to engage in activities that are well-received and understood by external stakeholders (Murtdlo & Nuraeni, 2019). In the context of this research, by considering the norms and rules prevalent in society, the implementation of green banking operations is expected to be well-received by external stakeholders due to its environmentally friendly nature.

3. Green Banking

Green banking, in simple terms, refers to environmentally friendly banking. From a banking perspective, it refers to banks that base their financing and operations not only on economic considerations but also on minimizing their impact on the surrounding environment (Simanungkalit & Mayangsari, 2020). Green banking practices go beyond paperless operations or reducing paper usage. They also involve utilizing soft networks for transactions and minimizing the use of fuel or machines that produce methane gas, as well as financing activities that could lead to environmental waste (Malinton & Kunradus Kampo, 2019).

4. Capital Adequacy Ratio (CAR)

The capital adequacy ratio is used to measure a company's ability to cover potential losses or assess its financial liquidity. It is commonly measured as the Capital Adequacy Ratio (CAR) (Nuryanto et al., 2020). The CAR serves as an indicator that higher ratios provide greater opportunities for the company to leverage capital and generate profits. However, higher capital adequacy ratios also carry their own risks, as excessive capital may remain idle and not be used to generate returns (Aryfudin & Mulyadi, 2020). Bank Indonesia has set a minimum CAR standard of 8%, indicating that a CAR below this threshold signifies low

financial liquidity to cover potential losses, which is unfavorable for a company (Nurmalia et al., 2021).

5. Profitability

Profitability measures how a company generates profits. One common measure is the return on assets (ROA) (Cahyani et al., 2022). According to Nabillah & Oktaviana, (2022), ROA reflects a bank's ability to manage funds and generate profits from investment and financing activities. It represents the ability of the bank to turn acquired funds into returns (Fadhila & Haryanti, 2020; Muchtar & Rofi, 2020).

6. Institutional Ownership

Institutional ownership refers to the ownership of shares in a specific company by institutional or corporate entities (Melati, 2020). It can be seen as a controlling stake held by institutions that invest a significant amount of capital in the company (Sutikno & Aisyah, 2022).

C. METHOD

The research method is a quantitative approach to test existing hypotheses using theory as a basis, as described in the previous points (Nurlan, 2019). The data source will be obtained from the financial statements and annual reports uploaded on the official websites of Sharia Commercial Banks in Indonesia, based on official data from www.ojk.go.id. The population of this study consists of 14 Sharia Commercial Banks, but sample selection resulted in 11 Sharia Commercial Banks that regularly upload their financial statements and annual reports from 2018 to 2022. This was done to ensure the research has up-to-date data compared to previous studies. Data collection will be based on documentary analysis technique, which involves recording the specified data from each sampled bank's reports. The data will be pooled, combining cross-section and time series data. The method to be used is panel data regression analysis and moderating regression analysis (MRA) using software such as EViews 12 and Microsoft Excel as testing tools. Data analysis techniques will include selecting the regression model, conducting classical assumption tests, and assessing the adequacy of the regression model (Hasibuan & Oktaviana, 2023).

D. RESULT

1. Panel Models

Determining the regression model is done by employing panel data estimation techniques such as the Chow test, Hausman test, and Lagrange

Multiplier (LM) test to identify the best regression model for the subsequent testing phase (Widarjono, 2005).

Table 1. of Regression Models

No	Test	Result	Criteria	Model
1	Chow	0,0001	Prob < 5%	Fixed effect
2	Hausman	0,0131	Prob < 5%	Fixed effect
3	LM	-	-	-

Source : Eviews 12 Processed data, 2023

The model selection process resulted in determining that the fixed effect model is the best among the available models. The LM test was not conducted since the two previous tests yielded the same results.

2. Classical Assumption Tests

In classical assumption tests, various tests are conducted to assess the distribution of the obtained data. The purpose of these tests is to determine whether the selected fixed effect model meets the criteria of being a Best Linear Unbiased Estimator (BLUE). To ascertain if the selected model possesses the aforementioned characteristics, several tests are conducted, such as the normality test, multicollinearity test, autocorrelation test, and heteroskedasticity test (Sakti, 2018).

Table 2. Normality Test

No	Test	Result
1	Jarque-Bera	1,363886
2	Probability	0,505634

Source : Eviews 12 Processed data, 2023

The table above indicates that the Jarque-Bera test result has a probability > 5%, which signifies that the research data follows a normal distribution (Hasibuan & Oktaviana, 2023; Sakti, 2018).

3. Multicollinearity Test

The value to consider in the multicollinearity test is the Variance Inflation Factor (VIF). If the VIF value is < 10, it means that H0 can be accepted, indicating the absence of multicollinearity. However, if the VIF value is > 10, H0 can be rejected, indicating the presence of multicollinearity (Hasibuan & Oktaviana, 2023; Sakti, 2018).

Table 3. Multicollinearity Test

No	Variable	VIF
1	<i>Green Banking</i>	1,002935
2	Capital Adequacy (CAR)	1,002935

Source : Eviews 12 Processed data, 2023

Based on the established criteria and the results of the multicollinearity test table above, it can be concluded that the regression model used does not exhibit a linear relationship between the independent variables or, in other words, there is no multicollinearity.

4. Autocorrelation Test

The determination of autocorrelation test results is based on the probability value of the chi-square test. If the probability value is $< 5\%$, it indicates the presence of autocorrelation in the residual data. Conversely, if the probability value is $> 5\%$, it means there is no autocorrelation in the residual data (Hasibuan & Oktaviana, 2023; Sakti, 2018).

Table 4. Autocorrelation Test

No	Value	Result
1	<i>Prob. Chi-Square</i>	0,0533

Source : Eviews 12 Processed data, 2023

Based on the established criteria and the results of the autocorrelation test in the table above, it can be concluded that there is no autocorrelation in the data distribution.

5. Heteroscedasticity Test

Heteroscedasticity examines specific conditions to determine whether there is heteroscedasticity in the data distribution. The focus is on the probability value of the Breusch-Pagan LM test. If the probability value is $< 5\%$, it rejects the null hypothesis (H_0) and indicates the presence of heteroscedasticity in the data distribution. Conversely, if the probability value is $> 5\%$, it fails to reject the null hypothesis (H_0), indicating the absence of heteroscedasticity (Hasibuan & Oktaviana, 2023).

Table 5. Heteroscedasticity Test

No	Value	Result
1	<i>Prob. Chi-Square</i>	0,5460

Source : Eviews 12 Processed data, 2023

The results of the heteroscedasticity test have a probability value of more than or equal to 5% , indicating that the null hypothesis (H_0) can be accepted, and it can be concluded that there is no heteroscedasticity.

6. Model Fitness Test

This test is conducted to examine the selected regression model, which is the fixed effect model, using hypothesis testing and determination coefficient.

7. Hypothesis Testing

F-Test. This test aims to determine whether the independent variables have a partial effect on the dependent variable or not.

Table 6. F Test

F-statistic	Probability (statistic)
11,35533	0,000000

Source : Eviews 12 Processed data, 2023

The value of the F-test indicates that the probability is smaller than the standard significance level of 5%, indicating that the null hypothesis (H0) is rejected. This means that the independent variables, taken together, have a significant partial effect on the dependent variable.

The t-test is conducted on the independent variables, namely green banking, capital adequacy, and institutional ownership, as moderating variables, to observe their significant relationship with the dependent variable, which is profitability growth (Sakti, 2018). The significance is determined by whether the Probability t-statistic value is below the 5% significance level (H0: rejected / H1: accepted), and vice versa.

Table 7. F-Test

No.	Variables	Coefficient	t-statistic	Prob.
1	GB	-0.194091	-0.569707	0.5721
2	CAR	-0.091677	-4.331628	0.0001
3	GBKI	0.001746	0.399707	0.6916
4	CARKI	0.001493	5.974393	0.0000

Source : Eviews 12 Processed data, 2023

Fixed Effects Model

$$Y = 3,937167 - 0,194091GB - 0,091677CAR + 0,001746GBKI + 0,001493CARKI$$

E. DISCUSSION

1. The Influence of Green Banking on Profitability Growth in Islamic Banking in Indonesia

In this study, Green Banking does not have a significant negative influence on Profitability Growth, as measured by Return on Assets (ROA). This is indicated by a coefficient value of -0.194091 and a probability value of 0.5721, which is greater than the 5% significance level. The findings of this study are consistent with previous research conducted by (D. Anggraini et al., 2020; Asfahaliza & Anggraeni, 2022). Therefore, it can be concluded that environmentally based Green Banking does not have an influence on

profitability growth because the two variables have different concentrations. It is possible that the operational focus of Green Banking in Indonesian Islamic banks does not emphasize indicators such as Green Finance and Green Building, which have the potential to support profitability growth by creating new beneficial green economy innovations. Green Building is considered a form of financing by banks for businesses that have no negative impact on the environment, but its implementation is still low. Therefore, the lack of attention to these indicators prevents Islamic banks from generating profits through Green Banking operations.

2. The Influence of Capital Adequacy on Profitability Growth in Indonesian Islamic Banking

This study shows that Capital Adequacy, measured by CAR, has a significant negative influence on Profitability Growth. This is indicated by a coefficient value of -0.091677 and a probability t-statistic of 0.0001, which is smaller than the 5% significance level. The findings of this study align with previous research conducted by (Ardheta & Sina, 2020; Prasita Damayanti & Aisjah, 2019). Therefore, it can be concluded that as CAR increases, the profitability growth, measured by ROA, decreases. This is because a higher CAR indicates that Shariah banks need reserve funds to cover a significant portion of the incurred losses, and the same applies in reverse. A high CAR also implies the risk of capital being underutilized and not generating profits but rather being used to cover loss risks (Aryfudin & Mulyadi, 2020).

3. The Influence of Green Banking Moderated by Institutional Ownership on Profitability Growth in Indonesian Islamic Banking

The research conducted reveals that the influence of Green Banking, moderated by institutional ownership, does not have a significant positive effect on profitability growth. This is indicated by a coefficient value of 0.001746 and a probability t-statistic value of 0.6916, which is larger than the 5% significance level. This suggests that institutional investors or the government have not yet fully invested or committed their capital to banks engaged in Green Banking operations. Although the program exists, the seriousness of the government's involvement is only evident in the new roadmap set by the Financial Services Authority (OJK), which mandates banks to report on sustainability starting from 2020 (Otoritas Jasa Keuangan, 2020). This finding is consistent with the disclosure made by several authors that Green Banking is still a relatively new issue, and green

investment has not attracted much attention from investors (Ria et al., 2023; Yuliandhari et al., 2022).

4. The Influence of Capital Adequacy Moderated by Institutional Ownership on Profitability Growth

In this study, the results show that the influence of capital adequacy, moderated by institutional ownership, has a significant positive effect on the profitability growth of Indonesian Islamic banks. This is indicated by a coefficient value of 0.001493 and a probability t-statistic value of 0.0000, which is smaller than the 5% significance level (Hastuti & Suhendah, 2015). This suggests that institutional investors or institutions can assess the ability of Shariah banks to effectively manage their financial risks, as CAR indicates good liquidity (Sutikno & Aisyah, 2022). Additionally, the resilience of Shariah banks during the pandemic has increased investor confidence in investing their capital, given the overall upward trend in profitability growth.

Coefficient of Determination Test Results

Indicator	Value
R-Squared	0,813691

Source: Eviews 12 Processed data, 2023

Based on the coefficient of determination test results in the table above, it can be concluded that the variables of green banking, capital adequacy, and institutional ownership as a moderating variable can explain 81.4% of the profitability growth, while 18.6% is explained by other variables outside the scope of this research model (Hasibuan & Oktaviana, 2023). This indicates that there may be other variables that influence profitability growth beyond the variables examined in this study.

F. DISCUSSION

The positive constant value of 0.684 indicates that in the context of this research, there is a positive relationship between marketing strategy, product effectiveness, and service quality with the competitiveness of Islamic banks in Indonesia. If we assume that the marketing strategy, product effectiveness, and service quality have zero values, the competitiveness of Islamic banks in Indonesia will remain constant at 0.684. This suggests that other factors beyond marketing strategy and product effectiveness also influence the competitiveness of Islamic banks. Although marketing strategy and product effectiveness are important, other factors such as regulations, reputation, and innovation also play a role in determining the competitiveness of Islamic banks in Indonesia.

Therefore, it is important to consider other factors that may affect competitiveness in the context of this research (Zouhaier, 2015).

In previous studies, several competitiveness factors have been identified as significant contributors in the dynamics of Islamic financial institutions in Aceh. The first factor is the quality of services provided by Islamic financial institutions. Efficient, responsive, and personalized services can build trust and customer loyalty. The second factor is product innovation, where the ability of Islamic financial institutions to develop innovative products that meet market needs can provide a competitive advantage. The third factor is human resource competence, where the quality and competency of human resources in Islamic financial institutions directly influence competitiveness. The fourth factor is good technological infrastructure, as the presence of efficient and secure technological systems supports the operations of Islamic financial institutions (Osman et al., 2015). Lastly, compliance with Sharia principles is also important, as maintaining the integrity and trust of the community in Sharia principles is key to maintaining and enhancing competitiveness. By considering these factors, further research can delve deeper into exploring the influence of these factors in the dynamics of Islamic financial institutions in Aceh.

In the given explanation, the regression coefficient value of the marketing strategy variable is 0.353, indicating a positive relationship between marketing strategy and the competitiveness of Islamic banks in Indonesia. This means that when the value of the marketing strategy increases, the competitiveness of Islamic banks also tends to increase. Each one-unit increase in the marketing strategy contributes to a 0.015-unit increase in the competitiveness of Islamic banks. In other words, a better and more effective marketing strategy can have a significant positive impact on the competitiveness of Islamic banks in Indonesia (Firmansyah, 2022). This highlights the importance of developing and implementing effective marketing strategies to enhance the competitiveness of Islamic financial institutions in Indonesia.

Several previous studies have explored effective marketing strategies for Islamic banks. For example, a study by Rosdiyah et al., (2020) examined the marketing strategies employed by Islamic banks in Indonesia. Their findings indicated that factors such as proper market segmentation, innovative product development, effective promotion, and quality service are crucial components in creating successful marketing strategies for Islamic banks.

Another study by Rahmany, (2014) emphasized the importance of digital marketing in the marketing strategies of Islamic banks. They found that

the use of social media, interactive websites, and mobile banking applications can provide a competitive advantage for Islamic banks in reaching a wider target market and enhancing customer interaction. Additionally, research by Karim, (2019) highlighted the significance of brand management as part of the marketing strategy for Islamic banks. They found that successful Islamic banks that build and reinforce a positive brand image can attract customer interest and enhance trust in choosing Islamic banking products and services.

Overall, these studies demonstrate that effective marketing strategies for Islamic banks involve various factors such as proper market segmentation, innovative product development, effective promotion, quality service, utilization of digital marketing, and good brand management. By considering these findings, Islamic banks can develop better and market-relevant marketing strategies to enhance their competitiveness in the Islamic banking industry.

In the given explanation, the regression coefficient of the product effectiveness and service variable has a positive value of 0.574. The positive direction of the regression coefficient indicates a positive relationship between product effectiveness and service and the competitiveness of Islamic banks in Indonesia. In other words, when the effectiveness of products and services increases by one unit, there will be a 0.574-unit increase in the competitiveness of Islamic banks in Indonesia.

This indicates that enhancing the effectiveness of products and services offered by Islamic banks can contribute positively to their competitiveness in the market. The more effective the products and services provided by the bank, the greater the likelihood of attracting customer interest and trust, as well as meeting their needs and expectations. In this context, banks need to focus on improving the quality of the products and services provided, optimizing operational processes, enhancing customer satisfaction, and continuously innovating. By optimizing the effectiveness of products and services, banks can deliver added value to customers and strengthen their position in the competition within the Islamic banking industry (Rahmayati, 2021).

G. CONCLUSION

Based on the research conducted and the previous discussions, the researcher concludes that the green banking variable does not have a significant negative influence on profitability growth. The operational aspects of green banking, particularly green building and green investment, need to be further enhanced to generate new revenue for banks through innovative approaches to materials, buildings, and beneficial impacts. On the other hand, capital

adequacy has a significant negative influence. This is due to the excessively high Capital Adequacy Ratio (CAR) requirements in banks, which calls for an analysis to establish an appropriate CAR standard that does not hinder profitability growth. The final result pertains to Institutional Ownership as a moderating variable for the independent variables, which yields different outcomes. In the case of green banking, institutional ownership is unable to moderate its effects due to the lack of operational indicators that attract investors to allocate funds specifically for green banking programs. However, institutional ownership does significantly moderate capital adequacy. This is because investors perceive Sharia Commercial Banks as capable of managing the risks incurred during the pandemic. The researcher suggests further investigation into the operational aspects of green banking, particularly the implementation of green coin rating indicators. Future research is expected to expand and deepen the literature review and develop variables to explore additional factors that can influence profitability growth.

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