

ABSTRACT

Global warming is a widespread problem, including in Indonesia and Malaysia, caused by the overuse of fossil fuels and the burning of forests that increase greenhouse gas emissions. The banking sector plays a role through funding high-emission projects that exacerbate climate change. To reduce this impact, the concept of green banking is applied to encourage the principle of sustainability in banking operations. The disclosure of green banking by banks reflects compliance with government regulations set in Indonesia and Malaysia. However, there are still banks in Indonesia and Malaysia that do not have an awareness in addressing environmental issues by not being transparent regarding reports on their environmental impacts and not disclosing in full regarding green banking disclosures.

This study aims to examine the effect of financial performance, gender diversity of directors, human resource slack, independent commissioners, and institutional ownership, on green banking disclosures at conventional commercial banks listed on the Indonesia Stock Exchange and Bursa Malaysia for the 2019-2023 period. The analysis method used in this research is panel data regression analysis and descriptive analysis by utilizing Eviews 12 software technology.

The results showed that financial performance, gender diversity of directors, human resource slack, independent commissioners, and institutional ownership simultaneously have a significant effect on green banking disclosure in conventional commercial banks listed on the Indonesia Stock Exchange and Malaysia Exchange. Partially, it was found that financial performance, independent commissioners, and institutional ownership have a positive influence on green banking disclosure in the combined data of Indonesia and Malaysia. These results are also the same in Indonesian data. Meanwhile, in Malaysia, financial performance has a negative effect while gender diversity of directors, and independent commissioners show a positive effect. Thus, human resource slack for both countries between Indonesia and Malaysia has no significant influence on green banking disclosure.

This research is expected to be a reference for further researchers and can be reviewed with the expansion of the sample and the addition of independent variables in the conventional commercial bank sector, not only in Indonesia and Malaysia, but also in other countries in Southeast Asia or other developing countries.

Keywords: Green Banking, Financial Performance, Gender Diversity of Board of Directors, Human Resource Slack, Independent Commissioner, Institutional Ownership