

Comparison Analysis of Sustainable Banking Performance of Sharia Bank and Conventional Bank as Members of First Movers on Sustainable Banking in Indonesia Period 2017-2020

Analisis Perbandingan Kinerja Sustainable Banking dari Bank Syariah dan Bank Konvensional sebagai Anggota First Movers on Sustainable Banking di Indonesia Periode 2017-2020

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ABSTRACT

This study aimed to analyze the comparison of the sustainable banking performance of Islamic banks with conventional banks as members of the first movers on sustainable banking in Indonesia for the 2017-2020 period. In this study, a quantitative approach was used using content analysis techniques and the Mann-Whitney U test. The research was conducted to determine the relationship between the dependent variable Sustainable Banking Performance (SBPF) and the independent variables consisting of SBPF Indicators (Indicators of Sustainable Banking Performance). The data used was secondary data in the form of sustainability reports and bank annual reports obtained from the bank's official website. The population in this study was the banking industry in Indonesia and the sample used was 8 member banks of First Movers on Sustainable Banking, namely Bank Muamalat, BRI Syariah, Mandiri, BRI, BNI, BCA, BJB and Bank AGI in 2017-2020. The results obtained are that 8 member banks of First Movers on Sustainable have been able to implement the practice of SBPF very well, BRI and BNI are at substantial adoption plus 5 other banks are at satisfactory adoption and AGI is at the adoption level. Furthermore, there is no significant difference from the SBPF based on Conventional Banks and Islamic Banks.

Keywords: Sustainable Development, First Movers on Sustainable Banking, Sustainable banking, Sustainable Banking Performance (SBPF)

ABSTRAK

Penelitian ini bertujuan untuk menganalisis perbandingan sustainable banking performance bank syariah dengan bank konvensional sebagai anggota first movers on sustainable banking di Indonesia periode 2017-2020. Pada penelitian ini menggunakan pendekatan kuantitatif dengan teknik Content Analysis dan uji Mann-Whitney U Test. Penelitian dilakukan untuk mengetahui hubungan antara variabel dependen Sustainable Banking Performance (SBPF) dan variabel independen yang terdiri yaitu Indikator SBPF (Indicators Sustainable Banking Performance). Data yang digunakan merupakan data sekunder berupa laporan keberlanjutan dan laporan tahunan bank yang didapat dari situs web resmi bank. Populasinya adalah industri perbankan di Indonesia dan sampel yang digunakan adalah 8 bank anggota First Movers on Sustainable Banking yaitu Bank Muamalat, BRI Syariah, Mandiri, BRI, BNI, BCA, BJB dan Bank AGI pada tahun 2017-2020. Hasilnya 8 bank anggota First Movers on Sustainable sudah mampu menerapkan praktek SBPF dengan sangat baik, BRI dan BNI yang berada pada adopsi substansial ditambah 5 Bank lainnya berada pada adopsi memuaskan dan AGI pada tingkat mulai mengadopsi. Selanjutnya tidak ada perbedaan yang signifikan dari SBPF berdasarkan Bank Konvensional dan Bank Syariah.

Kata Kunci: Pembanguna Berkelanjutan, First Movers on Sustainable Banking, Sustainable banking, Sustainable Banking Performance(SBPF)

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I. INTRODUCTION

Sustainable development is development that aims to improve the quality of life of people around the world, both from current and future generations, without exploiting the use of natural resources that exceed the capacity and carrying capacity of the earth (Prasetya and Karlinda, 2015). Such conditions are caused because social and environmental issues have not been included in economic calculations as an important element to be considered. Whereas the interest in profit does not mean that it can provide legitimacy to reduce attention and commitment to protecting the environment and a better social life (OJK, 2014). Therefore, businesses that are able to maintain profits and are able to protect the environment will create value for customers, investors, and the environment (Kralj dan Slovenia, 2014).

Business in finance is closely related to the provision of corporate financing. All operating companies are inseparable from the need for working capital and investment activities to increase the scale of the company, which is also inseparable from the important role of financial institutions or banks as institutions providing corporate financing services. So, the company's activities are also closely related to the financial business which also has a contribution to the country's economic activities and is expected to be able to support sustainable development. Company activities also have an impact on the environment. So, banks can also contribute to sustainable development, especially the environment by prioritizing the provision of financial facilities for companies that are able to preserve the environment, namely by implementing Green Banking (Wintoro, 2012).

Banks are expected to consider social as well as economic and environmental factors in conducting their business. Thus in its activities Sustainable Banking is required (Tan et al., 2017). Sustainable Banking is the choice of banks to give banking items and administrations just to clients who think about the ecological and social effects of the bank's functional exercises (Sahitya et al., 2014). Banks utilize Sustainable Banking both in their day-to-day operations, such as managing branches and physical locations, human resources, costs, opportunities, and risk exposures and activities related to client interactions outside the bank, as well as the types of projects they fund (Asiru, 2017). To assess, report, and improve their non-financial performance, various sustainability codes of conduct-such as GRI, EPs, UNEP FI, ISO 14001, ISO 26000, and the UN global compact principles-have been widely adopted over the past ten years. Organizations can manage and communicate sustainability initiatives aimed at environmental management, human rights, social welfare, anti-corruption, and other areas when these standards and guidelines are applied. Although voluntary, adopting businesses see it as a task that improves their non-financial performance and enhances their reputation (Care, 2018).

Indonesia issued the Sustainable Finance policy in 2017 in POJK No. 51/POJK.03/2017 on the implementation of sustainable finance for Financial Services Institutions, Issuers, and Public Companies. The OJK regulation is a practical guide in implementing sustainable finance. By holding an event or program titled "Indonesia Sustainable Finance Initiative" on May 31, 2018, in Jakarta, Indonesia advances its efforts to achieve sustainable development goals. The World Wide Fund for Nature (WWF), eight national banks representing 46 percent of Indonesia's banking assets, and the Financial Services Authority (OJK) attended the event. The Indonesia Sustainable Finance Initiative (ISFI), more commonly known as the Indonesian Sustainable Finance Initiative (IKBI), was launched during the event. The initiative, which brings together Bank Artha Graha International, BRI Syariah, Bank Central Asia, Bank Mandiri, Bank Muamalat, Bank Negara Indonesia, Regional Development Bank of West Java and Banten, and Bank Rakyat Indonesia, to be the "First Movers on Sustainable Banking", aims to promote and implement inclusive sustainable finance practices (Sulaiman, 2019).

Green banking is essential for the sustainability of our earth's ecosystem. Islam provides universal principles for the success of humanity in any business domain (Bukhari et al., 2019). These universal Islamic principles, when applied to any business ideology, are applicable to humanity and are sustainable. This shows a close correspondence between the dimensions of sustainable banking practices formulated by international organizations and Islamic Sharia (Bukhari et al., 2019). The urgency of implementing sustainable banking for productive financing in Islamic banking is based on three reasons. First, Islamic banking is one of the corporations that contribute to ecological development. Second, productive financing as a controller of ecological development. Third, green financing is ethical financing because the intrinsic value of green banking policies is relevant to Sharia (Julia et al., 2020).

Allya et al.'s research (2020) employed the GRHM (Green Human Resources Management) approach and collected primary data on the behavior of banking sector employees in Indonesia

through in-depth interviews with banks and OJK. The respondents selected were employees who were members of the First Mover in Sustainable Banking. Using the Principal Component Analysis (PCA) method produces factors that shape environmentally friendly behavior in HR management. The practices include: (1) regulation; (2) environmental awareness; (3) leader commitment; (4) vision and mission; (5) policy organization; (6) technology provision; (7) facilities; (8) program organization; (9) employee recruitment; (10) employee training; (11) performance appraisal; and (12) compensation program.

Research conducted by Cintyawati et al., (2020) evaluated the quality of mobile banking services at banks classified as The First Mover in Sustainable Banking. Quantitative methods are used to explore the dominant dimensions that affect the quality of mobile banking services at banks. A total of 16 dimensions of electronic service quality with 28 indicators were used and then analyzed with Importance Performance Analysis (IPA). The results show five main dimensions of e-service quality need to be improved, such as communication, security, speed, diverse mobile application service features, and competency dimensions. The indicators of these dimensions are clear answers, login security, timely updated information, diverse mobile application features, diverse m-banking services, and the ability to develop m-banking applications.

Research by Ruhayat & Murwaningsari (2019) utilized a qualitative approach that is phenomenological in nature. The unit of analysis consists of regulators, banking practitioners, sustainability experts, reference books, regulations, and previous research results. The informants were sustainability experts, banking practitioners, regulators, LPPI, and IBI-BCC. Data were collected through in-depth interviews and literature studies. Techniques to strengthen the credibility of the research were carried out through extended participation, persistence in observation, and triangulation. Results: First, banks in Indonesia already have a Roadmap and POJK Sustainable Finance 2014 Number 51/POJK.03 /Second, Indonesia already has a Sustainable Banking first mover consisting of 8 banks, namely BRI, Mandiri, BCA, BNI, BJB, Artha Graha Internasional, and Bank Muamalat; Third, Indonesia has an Indonesia Sustainable Finance Initiative (IKBI) consisting of 13 banks; Fourth, 8 first mover banks have implemented the mandate of POJK Number 51 of 2017, including as evidenced by the preparation of RAKB (Sustainable Finance Action Plan) and SR (Sustainable Report); Fifth, the results of interviews with informants obtained Information about sustainable banking in Indonesia is developing positively in a better direction.

Based on previous research searches, it is known that research on Sustainable Banking specifically discussing First Movers on Sustainable Banking in Indonesia is still limited so that additional research is needed in various aspects of application. This research was conducted to determine the application of the concept of sustainable banking performance in banks that are members of the First Movers on Sustainable Banking in Indonesia and also to analyze and compare the sustainable banking performance of Islamic banks with conventional banks as members of the First Movers on Sustainable Banking in Indonesia as a form of contribution to the realization of the SDGs program. In line with research conducted by Kumar & Prakash (2019); Taslima & Salina (2019); Asim et al., (2018); Bukhari et al., (2019) which examined Sustainable Banking and Islamic behavior. Novelty in this study is that there is no research that specifically assesses the application of Sustainable Banking Performance (SBPF) and compares its application between Islamic banks and conventional banks in banks that are members of the First Movers on Sustainable Banking in Indonesia.

Sustainable Banking and Green Banking

The implementation of Green Banking in banking is closely related to the implementation of Sustainability Banking. Kumar & Prakash (2019) argued that banking has an important role in supporting sustainable development. The banking sector is closely related to economic activity and human social life, so banks always prioritize their performance through inclusion and literacy activities in their financial products. The implementation of Green Banking in the banking sector will focus on efficiency in energy utilization, environmentally friendly products and services and reported in the sustainability report.

Research from Zhixia et al., (2018) showed that green banking practices help banks attract regulators, customers, and the public, while increasing their legitimacy, as found through a study of sustainable banking initiatives in Bangladeshi banks. Research by Zheng et al., (2021) explained that the dimensions of green finance-social, economic, and environmental-have a strong positive influence on bank sustainability performance. Zhang et al., (2022) also argued

that improving bank competitiveness, reducing long-term costs and expenses, providing online banking facilities, increasing customer goodwill, and reducing carbon footprints are the main benefits of developing green banking, as it helps in achieving the goal of sustainable economic development of the country.

Sustainable Banking in Islamic Banking

The implementation of Islamic banking, whose operations are based on the Quran, has an important role in the implementation of an Islamic economy based on Maqashid Sharia and pays attention to sustainability-based activities. Julia & Kassim (2020) argued that no bank fully meets the requirements of environmentally friendly policies, but Islamic banks are superior in maintaining faith, reason and wealth circulation. The research of Jan et al. (2019) also provided insights to policy makers of the Islamic banking industry around the world regarding efficient sustainability management, achieving higher sustainability ratings, and improving subsequent financial performance through efficient sustainability practices. Improved sustainability practices will add financial value to the management, shareholders and market financial performance indicators of the Islamic banking industry worldwide.

According to Dusuki (2008) Islamic banking must uphold social goals, promote Islamic values, contribute to the social welfare of society, and encourage sustainable development, in accordance with the government's perspective. Jan et al.'s research (2019) found that the moderating role of Islamic governance and managerial ownership gives confidence to market stakeholders of Islamic Banks for receiving higher financial returns through sustainable business practice initiatives. These results may provide insights for some policy makers in the Islamic banking industry about integrating important sustainability practices in their business models and about the moderating role of balanced Islamic corporate governance in the relationship between sustainable business practices and corporate financial performance.

Sustainable Banking Performance Framework (SBPF)

The implementation of the Sustainable Performance Framework (SBPF), which is regulated in POJK 51/POJK/03/2017 by banks, is a concern of the Financial Services Authority. OJK gives important attention to SBPF implemented in the banking sector which bases its operations both in the form of fund raising and financing distribution by paying attention to Environmental, Social, and Governance (ESG) aspects. Attention to ESG has become a conversation at the world level, especially in the implementation of SDGs (Sustainable Development Goals). Where SDGs are a form of UN attention to the sustainability of all humans in the world in various aspects such as climate, education, increasing the number of employment opportunities and decent work and also environmental protection. In the environmental point, one of them is through responsible corporate governance and ESG-based so that its investment prioritizes environmental preservation and the use of energy resources that are environmentally friendly.

Sustainable Banking Performance Framework Indicator (SBPF)

The Sustainable Banking Performance Framework (SBPF) uses various sustainable banking indicators derived from the frameworks developed by Jeucken (2001) and Scholtens (2009) and later developed by Khisor & Prakash (2018). The source of this framework specifically focuses on the environmental and social behavior of banks to address sustainability issues in banking. It consists of 40 indicators that are then categorized into five broad groups, with specific indicators representing specific adoption tools in conjunction with the group outlines. First, are the financing and lending activities of banks incorporating social and environmental concerns. Indicators of the second group reflect the bank's commitment to environmentally responsible behavior through initiatives taken by the bank to adopt environmental management systems. Indicators of the third group reflect socially responsible behavior and how the bank actually creates social development in the community. The fourth group reflects the bank's commitment towards maintaining high socio-ethical standards in the bank through policies towards anti-corruption, appropriate and human business ethics. The fifth group reflects the bank's extent to which the bank is committed to a global sustainability code of ethics and engages with all stakeholders in disclosing the non-financial performance of the bank.

First Movers on Sustainable Banking

In 2015 OJK, with the guidance of WWF-Indonesia, successfully conducted a pilot project "First Steps to become Sustainable Bank" with the result of improving bank policies and SOPs as well as

improving the quality of business sector financing. From this project, IKBI (Indonesia Sustainable Finance Initiative) was born, which is a multi-stakeholder platform. It was established on May 31, 2018 to encourage the implementation of sustainable finance in Indonesia in an inclusive manner. In IKBI, 8 banks with the largest assets in Indonesia committed to stand as pioneers of sustainable banking. The commitment is realized in a pilot project called First Movers on Sustainable Banking, a partnership between OJK and WWF-Indonesia. Under the project, the 8 First Movers on Sustainable Banking banks receive guidance on the implementation of environmental risk management and governance (World Wildlife Fund for Nature, 2014).

The eight banks that represent 46% of national banking assets are Bank Mandiri, BRI, BNI, BCA, Bank Muamalat, BRI Syariah, BJB and Bank Artha Graha Internasional. This condition is an initiative to encourage bank and non-bank financial services institutions, issuers, public companies, and other institutions to implement and develop sustainable finance best practices as an active contribution to the OJK Sustainable Finance Roadmap and POJK No. 51 an No.60 of 2017 concerning the Implementation of Sustainable Finance (FOSSEI, 2018).

II. RESEARCH METHODS

Research Approach

The approach used in this research was a quantitative approach using secondary data analysis. The objects in this study were 8 conventional banks and Islamic banks as members of the First Movers on Sustainable Banking in Indonesia in 2017-2020. The research was conducted to determine the level of application of the Sustainable Banking Performance concept, analyzed and saw a comparison of sustainable banking performance seen from the influence between the dependent variable and the independent variable. The dependent variable was Sustainable Banking Performance (SBPF), while the independent variable was the SBPF Indicator. While the independent variable was the SBPF Indicator (Indicators Sustainable Banking Performance).

This study utilized the content analysis technique, a quantitative technique widely used to assess data from reports or other documents (Miles & Huberman, 1994). Content analysis helps in capturing data from reports or other documents, quantifying the presence or absence, and the extent of information required (Gray et al., 1995). Furthermore, a nonparametric test, Mann-whitney U test was carried out to understand the differences in sustainable banking performance in the study sample.

Empirical Model

The analysis model formulated in this study aimed to test whether two independent samples taken from a population that has the same mean, namely the Sustainable Banking Performance Indicators variable affects the Sustainable Banking Performance (SBPF) of 8 banks that are members of the First Movers on Sustainable Banking in Indonesia. The Mann-Whitney Test equation used is as follows:

$$U_1 = n_1 n_2 + \frac{n_1 (n_1 + 1)}{2} - R_1$$
$$U_2 = n_1 n_2 + \frac{n_2 (n_2 + 1)}{2} - R_2$$

Descriptions:

U1 = Number of Islamic Bank ratings

U2 = number of Conventional Bank ratings

n1 = number of Islamic Banks samples

n2 = number of Conventional Bank samples

R1 = number of levels in Islamic Banks

R2 = number of levels in Conventional Banks

Data Type and Source

The data used was secondary data obtained from journals, literature, articles and sites on the internet, one of which was the official website of 8 First Movers on Sustainable Banking banks, namely data in the form of Sustainable Banking Reports, bank annual reports and bank annual reports for the 2017-2020 period. The type of data used was panel data.

Analysis Technique

This study used content analysis technique, a technique widely used to assess data from reports or other documents (Miles & Huberman, 1994). Content analysis helps capture data from reports or other documents and quantify the presence or absence or extent of the required information (Abu, 1995). Content analysis was therefore used to quantify the amount of information disclosed on the basis of selected indicators from the SBPF (Sustainable Performance).

Step two was the coder approach. Using inter-coder reliability to make observations from the official websites of banks that are members of the First Movers on Sustainable Banking in Indonesia. The higher the degree of similarity between coders, the more reliable the criteria used. The sustainable banking performance scores obtained from each bank were grouped into four different categories. These scores reflect the level of adoption of sustainable banking with each bank studied. This categorization was developed by research conducted by Kishore & Prakash, (2018). The following are the score categories:

Table 1. Categories of Score Level of Sustainable Banking Adoption Practices

Level	Score	Adoption Level of Sustainable Banking Practices
First Level	0-5	Insignificant Adoption (signaling banks' reluctance to voluntarily adopt sustainable banking practices).
Second Level	6-10	Beginning to adopt (indicates the Bank started to adopt internal environmental management along with social welfare programs).
Third Level	11-15	Satisfactory adoption (indicating the bank actively adopts a number of environmental management and social welfare practices).
Fourth Level	16-20	Substantial adoption (signifies the Bank understands and incorporates the various dimensions of sustainability in banking and plays an important role in promoting sustainable development).

Source: Kumar & Prakash (2019)

Step three Normality test, carried out to determine whether the samples taken in the study are normally distributed or not. If the data is normally distributed, then the hypothesis is tested using parametric tests. Meanwhile, if the data is not normally distributed, the hypothesis is tested using non-parametric tests. The population normality test must be met as a condition for determining the calculations to be carried out in the next hypothesis test. The data tested are experimental class data and control class data (Ghozali, 2016). There are a number of statistical tests that can be used to see whether the distribution on the residuals is normal or not. The normality test using Shapiro Wilk was chosen because the data taken by researchers was less than 50. If the data has a significant value greater than 0.05 ($p > 0.05$), it can be concluded that the research data is normally distributed, but if the significant value is smaller than 0.05 ($p < 0.05$) it can be concluded that the research data is not normally distributed.

Step four Non-Parametric Statistical Test. In connection with the characteristics of the data tested for differences that have aspects of inhomogeneity in the level of variance and proven abnormal distribution, the solution to the t test cannot be done. So, it was continued by using the Mann-Whitney test (U test), where the α value used is usually 5% (0.05). The hypothesis for the Mann-Whitney test, namely:

$$H_0: \mu_1 = \mu_2$$

$$H_a: \mu_1 \neq \mu_2$$

The decision-making basis for this Mann Whitney non-parametric test is as follows:

- If the value of Asymp.Sig. (2-tailed) > 0.05 , then H_0 is accepted
- If the value of Asymp.Sig. (2-tailed) < 0.05 , then H_0 is rejected

Mann-whitney U Test aimed at measuring the level of difference between the two population data in the form of Ordinal data, which is called Two Independent Sample Tests. Where both were tested by calculating the average of the two, which had a level of similarity in distribution.

According to Supranto, (2002) the procedures carried out for the Mann-Whitney test are 4, namely: the first states the hypothesis and the real level. Second, rank the data without regard to the sample category. Third, summing the rankings according to each sample category and calculating the U statistic, with the formula $U = n_1n_2 + [n_1(n_1+1)/2] - R_1$, or $U = n_1n_2 + [n_2(n_2+1)/2] - R_2$. Fourth, draw statistical conclusions about the null hypothesis.

III. RESULTS AND DISCUSSION

Content Analysis

The keywords for analysis were derived from a list of 40 Sustainable Finance indicators categorized into five broad groups, with specific indicators representing specific adoption tools in relation to the group outlines (See Appendix Table A1). Emphasis was placed on whether or not each indicator of the SBPF was adopted. The extent and impact of the indicators were not considered in this study.

To evaluate the sustainable banking performance score of a bank, points were allocated for each indicator across all the five groups. For each group, a maximum of 20 points can be awarded, hence a bank adopting complete sustainability banking practices across the 40 indicators of the proposed framework can accrue a maximum of 100 points. Further, the specific scoring weightage assigned to each group depends on the relevance of sustainable development influence that each group has in promoting sustainable development initiatives. For example, in the case of banking, the most important contributor to the sustainability of products and services of a sustainable banking institution, the study gave 40% weight to the Sustainable products and services group, 20% weight was attributed to the environmental management dimension and the social development dimension in each group and 10% each to Internal social ethical behavior and ethical sustainability codes, reporting, ESG indexing. The weight for each category was based on brainstorming centered around, how much weight each factor carried in relation to the overall sustainable banking landscape.

Table 2. Content Analysis Results Of 8 Banks First Movers on Sustainable Banking in Indonesia in 2017-2020

Bank	Year			
	2017	2018	2019	2020
BRI SYARIAH	12.8	12.8	13.2	13
MUAMALAT	13.6	13.6	13.6	12.2
BNI	14.6	15.4	15.2	16
BRI	14.4	15.2	16	15.2
MANDIRI	13.6	14.6	15.4	15
BJB	11.2	11.2	12.4	13.2
BCA	9.6	10.4	12	14.8
AGI	7.8	7.8	7.8	9.4

If seen from the level of development of the implementation of Sustainable Banking Performance 8 banks then:

- a) BRI SYARIAH tended to increase in 2017-2019 and experienced a slight decrease in 2020 due to no longer applying compliance with NVG disclosures (country-specific guidelines).
- b) MUAMALAT tended to stagnate in 2017-2019, and even experienced a decline in 2020 due to no longer applying Environmental loans, Sector specific exclusion, Compliance with NVG disclosures (country-specific guidelines).
- c) BNI tended to increase in 2017-2018 and experienced a slight decrease in 2019 due to no longer signing the UNEP FI, but experienced a significant increase in 2020 due to the implementation of Green bonds.
- d) BRI trended upward from 2017-2019 due to the implementation of Green bonds and certified environmental management system (ISO 14001), but experienced a decline in 2020 due to no longer implementing green bonds & green mortgages.
- e) MANDIRI tended to increase from 2017-2019 because it had ISO 26000 certification and experienced a slight decrease in 2020 because it no longer applied Sector specific exclusion.
- f) BJB tended to increase every year due to the implementation of climate funds.
- g) BCA tended to rise every year due to the implementation of venture capital for environmentally efficient products, quantitative targets on environmental initiatives, adoption of environmentally friendly technology, access points for financial services in low populated or remote areas, policies and procedures on human rights, policies on labor practices
- h) AGI was likely to rise mainly in 2020 due to the implementation of ISO 26000 Certification, access points for financial services in low populated or remote areas, policies on labor practices, disclosure of sustainability report, disclosure of business responsibility report, Environment policy.

Coder

Table 3. Adoption Level of 8 First Movers Banks in Practicing Sustainable Banking Performance

Bank	Bank type	Score	Level	Adoption Level
BNI	Conventional	15.3	1	Substantial adoption
BRI	Conventional	15.2	2	Substantial adoption
Mandiri	Conventional	14.65	3	Satisfactory adoption
Muamalat	Syariah	13.25	4	Satisfactory adoption
BRI syariah	Syariah	12.95	5	Satisfactory adoption
BJB	Conventional	12	6	Satisfactory adoption
BCA	Conventional	11.7	7	Satisfactory adoption
AGI	Conventional	8.2	8	begin to adopt

In table 3 it can be concluded that BNI with the highest score of 15.3 spearheaded the leader in sustainable banking among Conventional Banks in Indonesia and Muamalat was in the first position for the adoption of Islamic banks with a score of 13.25. The largest value in the adoption done by 8 First Movers Banks was BNI Bank with a score of 15.3 which means that the fourth level of adoption is substantial adoption and the lowest value of adoption was at Artha Graha Bank with a score of 8 which is the second level (beginning to adopt).

Normality Test

Table 4. Recapitulation of Normality Test Calculation Results Conventional and Islamic banks member of First Movers on Sustainable Banking in Indonesia

Bank type	Shapiro-Wilk			
	Statistic	df	Sig.	
K1	Syariah	0.641	8	0.000
	Conventional	0.902	24	0.024
K2	Syariah	0.418	8	0.000
	Conventional	0.887	24	0.011
K3	Syariah	0.641	8	0.000
	Conventional	0.898	24	0.019
K4	Syariah	0.566	8	0.000
	Conventional	0.659	24	0.000
K5	Syariah	0.566	8	0.000
	Conventional	0.683	24	0.000

Based on table 4, the significance value (sig) in conventional and Islamic banks as members of the First Movers on Sustainable Banking in Indonesia in group 1 for Islamic banks was 0.000 <0.05 and conventional banks 0.024 <0.05. In group 3 for Islamic banks amounted to 0.000 <0.05 and conventional banks 0.019 <0.05. The significance value in group 2 for Islamic banks was 0.000 <0.05 and conventional banks 0.011 <0.05. In group 3 for Islamic banks, it was 0.000 <0.05 and conventional banks 0.019 <0.05. In group 4 for Islamic banks, it amounted to 0.000 <0.05 and conventional banks 0.000 <0.05. In group 5 for Islamic banks, it was 0.000 <0.05. It can be seen that the significant value of conventional and Islamic banks is smaller than 0.05, so it can be concluded that the data is not normally distributed

Man Whitney Test

Table 5. Whitney Test Results Sustainable Banking Performance (SBPF) of conventional and Islamic banks as members of First Movers on Sustainable Banking in Indonesia.

	Bank Type						p
	Syariah(N=8)			Conventional(N=24)			
	Mean	Median	SD	Mean	Median	SD	
K1	5.100	4.800	0.414	4.733	5.200	1.545	0.881
K2	2.300	2.400	0.283	2.467	2.400	0.814	0.535
K3	3.050	3.200	0.207	3.050	3.200	0.538	0.848
K4	1.900	2.000	0.185	1.833	2.000	0.262	0.685
K5	0.750	0.800	0.093	0.758	0.800	0.236	0.404

Table 5 shows the significance value ($p > 0.05$) which means H_0 is accepted and H_1 is rejected. Thus, there is no significant difference of Sustainable Banking Performance (SBPF) based on conventional and Islamic banks both from group 1, group 2, group 3, group 4, and group 5.

Overall, the 8 member banks of the First Movers on Sustainable Banking in Indonesia have actively adopted Sustainable Banking Performance (SBPF) well, with 2 banks at substantial adoption, 5 banks

at satisfactory adoption level and 1 bank just beginning to adopt. Conventional Banks are superior in adoption with 2 conventional Banks, namely Bank BNI and BRI at the substantial adoption level, Bank AGI is at the bottom with the level of beginning to adopt because Bank AGI does not apply many Sustainable Banking Performance (SBPF) indicators.

It can be concluded that the results of the Man Whitney Sustainable Banking Performance (SBPF) Test in table 5 statistically there is no significant difference. The biggest reason is because Conventional Banks apply more to the social development dimension indicator group and Islamic Banks apply more to the internal ethical social behavior group. Both Conventional and Islamic Banks are more likely to apply indicators of the social dimension of sustainability than the important dimensions of sustainable banking, namely indicators of product and service development, environmental management and sustainability reporting so that the results of the Man Whitney Sustainable Banking Performance (SBPF) Test on conventional and Islamic banks do not show significant differences.

Based on the calculation of the application of Sustainable Banking Performance, differences in the application of SBPF between Islamic Banks and Conventional Banks can be found, including the first application in 2 Islamic Banks, namely Bank Muamalat in the top position and BRI Syariah in the second position. Islamic banks also experienced an increase every year except in 2020 which experienced the same decline as conventional banks. Because Islamic banks are more active than conventional banks in overcoming the dimensions of internal ethical social behavior ranging from policies and procedures regarding anti-corruption, business ethics policies, policies on labor practices, gender equality and diversity and policies and procedures on human rights, Muamalat bank implements well. While BRI Syariah bank in 2017-2018 has not implemented it, but has begun to make progress by implementing it in 2019-2020.

Secondly, in the social development dimension group, Islamic banks have implemented through community engagement program activities, charity and active sponsorship, financial literacy and financial counseling, training and skills development programs, access points for financial services in low or remote populated areas. In the indicator of community consultation, BRI Syariah bank only implemented in 2017-2018 and Bank Muamalat implemented in 2017-2019. In the ISO26000 certification indicator, Bank Muamalat has fully implemented but Bank BRI syariah will only implement it in 2019-2020. Health care programs, sanitation and improving access to financial services for the underprivileged, both of these indicators are fully implemented by Bank BRI syariah but Bank Muamalat will only implement it in 2020. In the ISO 26000 certification indicator, none of the two Islamic banks have implemented it.

Third, in the group of indicators of the environmental management dimension of Islamic banks, the two Islamic banks both implement environmental risk management in credit policies and the adoption of environmentally friendly technology. In the special sector exclusion indicator, Bank BRI syariah only implemented in 2017-2018 and Bank Muamalat implemented in 2017-2019 and both banks experienced a decline. In the quantitative target indicator on environmental care initiatives, only Bank BRI syariah implemented in 2019-2020, while Bank Muamalat did not implement it. In the indicator of the ISO 14001 certified environmental management system, none of the two Islamic banks implemented it.

Fourth, in the sustainable products and services group, the two Islamic banks have implemented sustainable financing, climate funds, microfinance, responsible investment, financial inclusion products perfectly. Whereas in the environmental loan indicator, BRI syariah bank had implemented it and Muamalat bank had decreased by implementing it in 2017-2019 and not implementing it in 2020. In the green bond indicator, BRI syariah did not implement it at all and Bank Muamalat fully implemented it. In the indicators of sustainable advocacy services and green mortgages, both Islamic banks have no implementation in bank operations.

Fifth, in the sustainability code group of ethics, reporting, ESG indexing on indicators of disclosure of sustainability reports, disclosure of business responsibility reports and environmental policies, both Islamic banks have done perfectly. In the indicator of compliance with NVG disclosure (country-specific guidelines), BRI syariah and Bank Muamalat both experienced a decline by only implementing it in 2017-2019 and stopping in 2020. Whereas in the indicators of GRI membership, signatories to the equator principle, adherence to the principles of the UN Global Compact, UNEP FI signatories, BSE GREENEX indexing, members of the DOW JONES sustainability index, none of the two Islamic banks apply in bank operations.

Sixth, the results of the banking report disclosure show that Bank BNI achieved the highest score of 15.3 in sustainable banking representing Conventional Banks and Bank Muamalat is in the first position representing Islamic banks with a score of 13.25. The score of 15.3 means the fourth level of adoption, namely substantial adoption and the lowest value of adoption is at Bank Artha Graha with a score of 8, namely the second level (beginning to adopt).

Seventh, there were 2 conventional banks that get the highest score, namely Bank BNI getting an adoption score of 15.3 and BRI getting an adoption score of 15.2, which means entering the fourth stage, namely substantial adoption which indicates that the bank understands and incorporates various dimensions of sustainability in banking and plays an important role in promoting sustainable development. The next position was Mandiri bank with a score of 14.65, Muamalat with a score of 13.25, BRI syariah with a score of 12.95, BJB with a score of 12 and BCA with a score of 11.7 which is at stage three, which means the level of adoption is satisfactory and indicates the bank is actively adopting a number of environmental management and social welfare practices. Bank Artha Graha Internasional (AGI) occupies the lowest position with a score of 8.2 which means beginning to adopt, indicating the bank is beginning to adopt internal environmental management along with social welfare programs.

Eighth, overall the 8 banks have actively adopted Sustainable Banking Performance (SBPF) well, with the proportion of 2 banks being at substantial adoption, 5 banks have been at the satisfactory adoption level and 1 bank has just started to adopt well. The conventional banks are superior in adoption with Bank BNI and BRI at the substantial adoption level, Bank AGI is at the bottom with the level of beginning to adopt because Bank AGI does not apply many Sustainable Banking Performance indicators (SBPF).

Ninth, there are 2 conventional banks in the top position, namely BNI and BRI banks, which have increased every year, although BRI bank has decreased in 2020. This is because conventional banks are more active in addressing the indicators of the social development dimension through community engagement program activities, charity and active sponsorship, financial literacy and financial counseling, training and skills development programs, community consultation and health care and sanitation programs because almost all conventional banks have implemented them. Target indicators for community investment are implemented by Bank BNI and Bank Mandiri.

Tenth, conventional banks do better in the internal social ethical behavior group by applying indicators of policies, anti-corruption procedures and policies on business ethics. Indicators of policies and procedures on human rights are applied by all conventional banks except BCA and BJB banks in the same year, 2017-2018. Indicators of policies on labor practices are applied by all conventional banks except BCA bank in 2017-2018. Indicators of gender equality and diversity are applied by all conventional banks except Bank Mandiri in 2017.

Eleventh, in the sustainable products and services group, the indicators of microfinance, responsible investment and financial inclusion products have been applied by all conventional banks. Sustainable funding indicators have been applied, except for bank AGI. Climate fund indicators were implemented by all conventional banks except BJB bank 2017-2019 and AGI bank. Environmental lending indicators were applied by all conventional banks, except BCA 2017-2018, BJB and AGI. The sustainable advocacy service indicator is not applied by any bank. The green mortgage indicator is only applied by Bank BRI. Venture capital indicators for frugal products were implemented by Mandiri, BRI, BCA in 2020 and BNI in 2018-2020. Green bond indicators applied by bank MANDIRI 2019-2020, BNI and BRI in 2020.

Twelfth, in the group of conventional bank environmental management dimension indicators, the ISO 14001 certified environmental management system indicator, no conventional bank had implemented it except Bank BRI in 2020. Indicators of certain exception sectors, almost all conventional banks implemented it except MANDIRI in 2020 and AGI did not implement it at all. The indicator of environmental risk management in loan policies is almost all conventional banks apply it except BCA in 2017, but the following year BCA has improved by applying this indicator. The quantitative target indicator on environmental care initiatives was only implemented perfectly by Bank BNI, BCA in 2020, BRI in 2018-2020, BJB in 2019-2020 while Bank MANDIRI and AGI did not implement it in banking operations. Indicators of adoption of environmentally friendly technology all conventional banks were implemented except for Bank BCA which only implemented in 2020.

Thirteenth, in the sustainability code group of ethics, reporting, ESG indexing conventional banks had implemented sustainability report disclosure and business responsibility report disclosure on the bank's official website. Then conventional banks had also implemented environmental policy indicators in accordance with UNGC principles except for AGI bank in 2017-2018.

IV. CONCLUSION

Based on the results showed that 8 member banks of First Movers on Sustainable have been able to implement Sustainable Banking Performance (SBPF) practices very well, BRI (15.2) and BNI (15.2) which are at substantial adoption plus Bank Mandiri (14.65), Bank Muamalat (13.25), BRIS (12.95), BJB (12) and BCA (11.7). The other banks are at satisfactory adoption and AGI at the beginning of adoption level. Where Bank BNI ranks first and BRI ranks second in implementing sustainability report publishing and complying with international standards such as GRI. Bank BNI has also signed and joined UNEP FI (United Nation Environment Program-Finance Initiative). BNI, BRI, MANDIRI, MUAMALAT are the 4 banks that have adopted the principles of UNGC (United Nation Global Compact). None of the Conventional and Islamic Banks have subscribed to leading international guidelines and standards such as the Equator principles. Compliance with the disclosure of NVGs (country specific guidelines) was adopted by all banks except BRI SYARIAH, MUAMALAT and AGI banks which did not implement in the same year i.e., 2020. Certified environmental management system (ISO 14001) is owned by bank BRI in 2020 and ISO 26000 Certification is owned by bank MANDIRI and AGI in the same year of 2020. Adherence to UNGC principles has been conducted by MANDIRI in 2018-2020.

Overall Sustainable Banking Performance (SBPF) in conventional banks is slightly higher than Islamic banks. But statistically the results of the man whitney test Sustainable Banking Performance (SBPF) to 8 conventional and Islamic banks are not significant, so it is concluded that there is no difference in SBPF between Islamic banks and conventional banks. However, this can be a reconsideration for Islamic banking to improve SBPF performance, because Islamic banking also has the same function as conventional banks, namely having an important role and function as a distributor of financing to the community or productive business sector and sustainable business (Kasmir, 2013).

The limitation in this study was only limited to determine the practice of SBPF based on publicly available information from non-financial reporting documents and information from the bank's official website, the level and impact of sustainable banking, the performance of banks has not been considered. There has been no discussion of financial performance indicators and limited research sample.

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ATTACHMENT

Indicators Sustainable Banking Performance

Sustainable Banking adalah mengintegrasikan isu-isu ESG dan menangani efek ekologis dan sosial dari kegiatan perbankan untuk sustainable development (Weber dan Feltmate 2016). *Indicators Sustainable Banking* merupakan salah satu alat ukur yang mampu mencerminkan *Sustainable Banking Performance Framework (SBPF)* melalui penggunaan instrumen yang telah dikembangkan oleh Kumar & Prakash (2019). Berikut 40 indikator *SBPF*:

Table 6. Sustainable Banking Performance Indicators

Sustainable Banking Performance (SBPF)
<p>Group 1: Sustainable Products and Services</p> <ol style="list-style-type: none"> 1) Sustainable Finance 2) Climate funds 3) Environmental Loans 4) Microfinance 5) Sustainable Advocacy Services 6) Green Mortgages 7) Socially Responsible Investment 8) Financial Inclusion Products 9) Fentura Capital for Environmental Savings Products 10) Green Bond
<p>Group 2: Environmental Management Dimension Indicators</p> <ol style="list-style-type: none"> 1) Certified environmental management system (ISO 14001) 2) Sector specific exemptions 3) Environmental risk management in loan policy 4) Quantitative targets on environmental care initiatives 5) Adoption of green technology
<p>Group 3: Social Development Dimension Indicators</p> <ol style="list-style-type: none"> 1) Community engagement program 2) Charity and sponsoring 3) Financial literacy and financial counseling 4) Training and skills development programs 5) Community consultations 6) Targets for community investment 7) ISO 26000 certification 8) Health care and sanitation 9) Access points for financial services in areas of low population or far from the center of the country 10) Improving access to financial services for disadvantaged people
<p>Group 4: Internal Ethical Social Behavior</p> <ol style="list-style-type: none"> 1) Policies and procedures on anti-corruption 2) Policies and procedures on human rights 3) Policy on business ethics/values 4) Policies on labor practices 5) Gender equality and diversity

Group 5: Sustainability Code of Ethics, Reporting, ESG Indexing
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| <ol style="list-style-type: none">1) Disclosure of sustainability report2) Business responsibility report disclosure3) Environmental policy4) GRI membership5) Signing of the Equator Principles6) Compliance with UNGlobal Compact principles7) UNEP FI signatory8) Compliance with NVGs disclosures (country specific guidelines)9) BSE Greenex Indexing10) Member of Dow Jones Sustainability Index |
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Source : Kumar dan Prakash (2019)