

## ABSTRACT

*The banking sector is one of the sectors that plays an important role in maintaining and encouraging the Indonesian economy, so there is a need for optimal financial performance management through the principles of sustainability, risk management, ownership structure, and capital adequacy. This study aims to analyze the influence of ESG (Environmental, Social, and Governance), risk proxied by NPL (Non-Performing Loan) and LDR (Loan to Deposit Ratio), institutional ownership, and Capital proxied by CAR (Capital Adequacy Ratio) on the financial performance of banks in Indonesia proxied by ROA (Return on Asset).*

*The research uses a quantitative method with a panel data regression approach. The population in the study is banking companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The sample selection was carried out using the purposive sampling method which produced 24 banking companies with a total of 102 observation data. The data used in this study was obtained from the company's annual report and Bloomberg Terminal.*

*The results of this study show that ESG does not have a significant effect on ROA, NPLs does not have a significant effect on ROA, LDR has a significant negative effect on ROA, Institutional ownership has no significant effect on ROA, CAR has a significant positive effect on ROA.*

*Keywords: ESG, Non-Performing Loan (NPL), Loan to Deposit Ratio (LDR), Institutional Ownership, Capital Adequacy Ratio (CAR), Return on Asset (ROA).*

