SUSTAINABLE FINANCE: CUSTOMER LOYALTY OR GREEN ENVIRONMENT?

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Abstract
The purpose of this research is to see how the Indonesian bankers respond to the OJK roadmap about sustainable finance. Sustainable financing has several interpretations that are understood differently by every banker. Sustainable finance that explains by OJK is financing for an eco-friendly product such as forestry and peatland energy and transportation, and agriculture. On the other hand, the bank also encourages its marketing directorate to choose potential customers which have a good product and high profitability. The method used in this research is qualitative by an in-depth interview of 10 bankers who work in the 10 largest banks in Indonesia. We are choosing the team leader of credit marketing in each bank, marketing is the main profit generator in banks and the person who is directly meet the customer, not only an existing customer but also a new customer. Consideration of choosing a potential customer is marketing responsible. They are made some assessment to the client which is suitable with banks aims. The results in this study indicate that the roadmap that has been launched by OJK has not been in line with marketing employees as there is some information that has not reached the bankers. As some of them still thinking a good relationship with the customer will make the bank business sustainable. Moreover, in their view of sustainable finance is not only focused on the financing for environment friendly efforts but must be on the view of a good long-term relationship between the bank and its creditors to get a mutually reciprocal relationship.

Keywords: Sustainable Finance, Sustainable Development, Sustainability, Customer Loyalty, Green Banking, Environment

JEL Classification: Q01, Q56

INTRODUCTION

In recent years, sustainability issues are rapidly evolved, practitioners and academics work together to solve this problem. Nowadays challenges are to resolve sustainable growth as a primary concern rather than a temporary development. Sustainable issues are not only the main focus of company management or researchers,
but also for all the stakeholders involved such as society, supplier, customer, and the surrounding environment. Sustainable development is expected to have some impact on all aspects of economic, social, and environmental.

Sustainable development is unavoidable due to the massive numbers of the company that support the lives of people. These companies affect society in so many ways, both positive and negative from their production process. The negativity that may occur such as environmental damage caused by the corporation's continued exploitation. The growing numbers of population demand in increasing production resulted in an imparity between environmental health and damage.

There are several aspects of performing sustainable development commonly known as 3P which are profit, people, and the planet. The purpose of The Global Reporting Initiative's view on 3P (2002) is to integrate those three comprehensions, and that these three cannot be done partially by a company. The 3P integrates all the economic aspects to not only obtain some profits for the company and stakeholders. Nevertheless, profit is a positive impact on the people known as the stakeholders consist of both internal and external part of the company. Furthermore, the company has the responsibility to preserve the environment from the negative impact of the company's production process. The integration of these three components is very important so that sustainability works well. With enough profit supported by a healthy society and environment, the company will be able to survive against current rapid development.

According to the going concern of a company, 3P is also known as the triple bottom line, it should not merely work for the economy by making as much profit as possible. However, the company should also consider human resources development through training and enhancing the employees and society's welfare. Environmental conditions are also important because it is the one to support the company's sustainability. If there is a negative impact from the company in the form of waste that damages the environment or inadvisable use of natural resources, certainly that the company will not be able to achieve its going concern.

The Production process consists of several stages. Starts from inputting of raw material to be processed and then the last stage is the output. Each stage corresponds to the environment. First, taking raw materials from natural resources that may affect environmental damage. Moreover, a share of human resources in the production process also affects the environment. Where production process certainly produces some waste as part of the output. It could damage the environment if it is not properly managed.

The banking industry is the backbone of the country's economy. It's a central industry that supports other industries' growth and development. Banking products are undoubtedly being used by other industries, the example, bank account. Everyone has a bank account, so are companies. Banking's roles are important and vital for the course of the economic process in every country.

Previous researchers stated that accountants' role is very important to report on the sustainability of a company, the accountant has the authority to oversee the information since the input to output used by the decision-makers and stakeholders (Burritt et al., 2011; Burritt & Schaltegger, 2012; Schaltegger & Zvezdov, 2015). If the information given is invalid, there will be errors in the decision-making process. Just like accountants, bankers also have important tasks. Thus, we have Otoritas Jasa Keuangan
Sustainable issues are a must or trend. It's prompting the Financial Services Authority to create a roadmap on sustainable finance. Sustainable finance roadmap published by OJK due to rapid growth of the economy for the past decades. Rapid development as a sign of economic growth becomes the main focus because it is unequal to the declining quality of life. Issues on social conflicts are also worsening the condition because development growth is unequal to the people's welfare (Burritt & Schaltegger, 2010).

The sustainable finance roadmap created by OJK consists of several aspects which are social, economic, environmental, and institutional aspects. In the financial industry, especially banking, some instruments become the center of sustainable finance e.g. incentive, funding, and planning (Financial Service Authority, 2015). Those are important due to some weakness in the environmental aspect. Environmental factors lack assessment as one of the considerations to conduct a funding decision making.

Environmental assessment has not been an important focus, but some professions started to integrate economic activities, especially the accountant and environment. This integration is hopefully able to improve and acknowledge the challenges of sustainability development (Özsözgün Çalışkan, 2014). The role of bank employees is quite vital because all financing comes from banking. There are already sustainability reports, though not many, as materials of credit analysis. A well and accurate sustainability report organized by an accountant could simplify the work of the decision-makers to obtain strategic decisions. In this case, bankers should not have to worry about using sustainability reports to assess basic credit analysis.

There are several different interpretations of sustainable finance. So far we interpreted the environmental sector as what has been disclosed on the sustainable finance roadmap by OJK. Other interpretation is not based on the environmental aspect, it's based on economic funding of the company's going concern (Dobre, 2014; Njoku, 2013). An industry functionates based on its going concern if its funding can support its production process. Public finance sustainability can be observed from its solvency and liquidity. Arranging the funding is to determine the basis of calculation and perform a stress test on obstacles, stabilizing the financial condition. Asset and liability management can minimize the risk of short-term liability payments failure (Adam, 2015; Gray, 2010; Khan & Gray, 2016; Sun et al., 2014).

Afterward, good financial management leads to good financial condition. It will bring a positive impact to the company such as gain a high brand value and customer loyalty due to high-quality products produced by the company. This brand value and customer loyalty are expected to bring direct and indirect impact that leads to efficiency (Fatemi & Fooladi, 2013).

Sustainable finance can't be delayed anymore; banking as the economy's backbone and driving force of economic growth should fast forward and implement the OJK's roadmap. However, be aware of the compatibility between the high growth target of credit numbers and OJK's sustainable finance roadmap. Bankers have their credit rating assessment, usually known as 5C such as character, capital, capacity, collateral, and condition. The environmental aspect is not part of the assessment. Today, bankers are emphasizing the company's financial condition to grant some finances. Thus, this research paper's question is whether sustainable finance is considered an eco-friendly financing or banker's customer loyalty.
Looking at triple bottom line theory which is profit, people, and the planet, the environmental issue become popular such as climate change as we look to Japan there is research about the role of sustainable finance and investment in Japan and how the financial institution can mitigate climate risk and zero-carbon a sustainable economy (Schumacher et al., 2020). As people consider their planet they will think about how they can produce more profit if the environment cot supported. There will be a disaster and could become a cost. Not only deterioration of revenue but also increment of the cost that could make a negative bottom line in the financial statement.

Asian development banks that Asia infrastructure needs from 2016-2030 will reach USD 26 trillion, which contributes mainly to the region like China, India, Indonesia, and Vietnam. This development will drive the green finance sector for sustainability development (Guild, 2020). As we know Indonesia's infrastructure is rapidly increasing, it must look to nature what we have to do when the building and toll roads are coming up, there will be some damage in the environment direct or indirect. Green financing could be a new term in Indonesia, there is still a lack of information related with sustainable financing, green financing, etc. as per this content are still developing it is good to start to educate the student and businessman about sustainable development. The government has to take action as a regulator, such as giving policies at the corporate level. Policies that the government constructs can accelerate the knowledge and awareness of the importance of sustainable development through sustainable financing (Schumacher et al., 2020).

In developing countries, green bonds are still underappreciated. The lack of appropriate institutional arrangement for green bond management, the issue of minimum size, and high transaction cost associated with green bond issuance are the key barriers to the development of green bonds in developing countries. To answer these challenges need collaboration multilateral and national banks as intermediary institutions for local green bond management. Furthermore, the government needs to issue or provide policies for their region to accelerate the issuance of green bonds with guarantees in the complementing of the lower cost of issuance of that green bond (Banga, 2019).

This study's novelty is we are looking to the bankers' understanding of sustainable finance, especially employees which generates revenue for the banks while the other research is mainly in reviewing regulation and implementation. Bankers’ understanding is important to make the sustainable finance campaign succeed and implement well in the bank with an innovative product.

The theoretical contribution of this research is to increase literature review about sustainability, especially sustainable finance, as there is still a lack of study we need to increase literature review about sustainability. The practical contributions of this research are to encourage the banking industry to give more priority to sustainable finance products, and as part of regulation minimum training number of personnel about sustainable finance is needed as policy contributions.

**LITERATURE REVIEW**

Sustainability is a company able to maintain its business for a long period. It depends on the trust given by its stakeholders. The company needs to gain trust by doing business in a good way as a company could going well due to support from its stakeholder not only by their performance. As we look to stakeholder theory companies
are dependent on their stakeholders: their employees, shareholders, the people, regulators, customers, suppliers, environment, and others. Without the support of the stakeholders, the company cannot stay for a long period.

A company doing business in a good way will get legitimation from its stakeholders. People will give legitimation to the company so the company will long last. Legitimation is not getting free the company needs to make effort to support what stakeholders need. Not only talking about profit but also people and planet. How the company gives advantages to the people and how the company takes care of the planet will become a way to legitimize their stakeholders.

**Sustainability**

Sustainability is a company able to maintain its business for a long period. Its performance through the production process consists of input, processing, and output whereas taking raw material activities from natural resources are harmless to the environment and not producing something harmful in the future because the company taking the resources effectively and efficiently (Balbinot & Borim-De-Souza, 2012). As per those explanations, sustainability must properly be conduct business. From the process of input, process, and output. The output not only the finished goods itself but also the waste due to production must be maintained. Once it is maintained in a good and proper way it could become the sustainability of the company.

Central banks or regulators have some portion of the role that needs to be conducted. One of the roles in making some policy for the bank. As we know that climate change is a big issue in the environment this is one issue that needs to be solved, how can regulators made regulation to prevent climate change. As per a study in Asia-Pacific region central banks have regulations to address climate and environmental risk and scaling up sustainable finance. The key role is by promoting green finance and sustainable funding options, either through amending the regulatory framework, encourage by doing green loans and products, or introducing climate change considerations in the monetary and financial policy operations. This will become one of the roles of regulation in promoting and motivating banks to do some movement to settle environmental issues (Durrani et al., 2020).

The term sustainable finance is mainly used by those concerned with political supervision, regulations, and macro-management of the financial sector. The rationale behind the concept is that the sustainability transition requires enormous investment. For sample, we know about fossil-fuel industries traditionally and now we could change it to become a clean-technology industry such as a hybrid. To change that this needs political action and new law other than that there is a need for stimuli to encourage the business. Sustainable finance has related terms such as responsible finance and responsible investment, green finance, ethical investment, and impact investment (Kuhn, 2020).

**Green Banking**

Green Banking is a banking industry that produces a positive impact on the environment, or it's commonly known as eco-friendly banking for a country. Simply put the bank receives a green bank title through its efforts to improve the environment (Mozib Lalon, 2015).

Mozib stated that two practices are required from the bank to achieve a green banking title. First, green banking from its internal condition. For example, in the
working area, it reduces paper usage because paper comes from tree logging, and adopts a green building concept to keep employees healthy and not easily sick through a more hygienic workspace. Second, financing environmentally friendly projects, such as financing renewable energy projects. Therefore many parties will receive incentives from funding with an eco-friendly outlook. These incentives will benefit the banks that fund the projects, the creditor who easily controls their finances, and communities who receive eco-friendly energy (Jia et al., 2017; Mozib Lalon, 2015).

Green finance is sometimes used synonymously with sustainable finance but is strictly interpreted, would exclude social and governance criteria from the screening of investment. The rise of the term green finance is a clear sign that the sustainability agenda is driven by concerns about the environmental issue and climate change (Kuhn, 2020)

The concept of green finance is still relatively new and the literature and education the basic about green finance are still developing. Green finance can be broadly conceived as encompassing financial instruments and policies aimed at such as green bonds, green banks, carbon market instruments, and community-based green funds. Financing of investment that provides environmental benefit in the broader context of sustainable development and that benefits could include reduction of air, water, and land pollutions (Guild, 2020).

In China green bonds are already common. China becomes a significant player in the green bond market globally. The first issuance of a green bond in china since 2015. There are several definitions of the green bond. There are many ambiguities, and currently, there is a lack of a universal definition of what precisely constitutes an eligible use of environmentally friendly and climate-resilient proceeds. There is various standard among green bond principles, GBP's provide a widely adopted and influential governance framework that underpins the issuance of green bonds. The GBP's mentioned that the assets and project activities could be claimed to be green bonds need to demonstrate the clear environmental benefit, and such benefit needs to be verified, assessed, and qualified (Banga, 2019; Zhang, 2020).

**Sustainable Value Creation**

The view regarding created profit which is only to minimalize the wealth of shareholders is considered outdated. It is currently important to include social factors and the environment in calculating obtained profit from the company. It is because directly and indirectly, it will give an impact on the company's profit.

Making a value in sustainability can be conducted by various ways such as identifying and doing calculation toward all cost incurred if company disregard social and environmental factor and how the profit if a company includes those factors in company budget (Fatemi & Fooladi, 2013).

**Sustainable Finance**

In conducting calculation about social and environmental factors, it will occur a negative and positive impact that is explicit and implicit. We can identify by using the environment and social factors. The company can recognize that the customers will be more loyal because the products have environmentally friendly predicate. In contrast, if a company does not adopt that way, value destruction will be obtained, not value creation. One of the impacts is a customer will go to another brand because they feel
that there is no value-added to using the product so that they use other products that have social and environmental value.

The company's profit is not revealed with the big numbers of profit, but it can be something else. For example, customers' belief toward the well-known brand product. The brand is recognized because it has a good reputation so that customers will be loyal to that product. It makes the company will not lose the market, and the company also can enter a new market without any obstacle. By increasing brand value and customers' loyalty, it gives impact to the financial statement which minimalizes marketing cost so that it is efficient from sustainability value creation (Braciniková & Matušinská, 2018; Fatemi & Fooladi, 2013; Loveland et al., 2019).

Furthermore, sustainable finance is not valued just from the environmental factor, but the sustainability of funding toward the ongoing project. It is important because if in a long term project, funding sustainability of the project must be assured to be able to finish well. It is like public finance sustainability which is based on depth held such as solvency, liquidity, and macroeconomic assumption (Adam, 2015; Gaspar et al., 2017; Sun et al., 2014). The first is emphasized in the decision in finance then it is adjusted with a timeline project so that lack cash inflow and cash outflow will not occur. Then the second is the ability in paying off the obligation by doing a combination between asset and liability.

In the international discussion, climate change issues that impact by physical are quite high. This climate change becomes some disaster such as storms, floods, and heat waves that accelerated the melting of ice and glaciers. This climate change not only report, but it is about humanity. There is a key role by a financial institution to mobilizing the urgency of sustainable finance (Nedopil Wang et al., 2020).

There is some research about sustainable finance that explains how financial transactions or financial practices can reduce the environmental issue in the global economy. Other than that, can it influence the behavior of investors and related stakeholders? Environmental politics scholars have also argued that the implementation of effective environmental policy is contingent on economic benefits (Thistlethwaite, 2014).

METHODS

This research used a qualitative method with an in-depth interview with respondents. This research focuses on sustainable finance activity runs by bankers and what is the role of the banker. Is sustainable finance of banker which is profit orientation has been suitable with roadmap sustainable finance which has been prepared by OJK. The questions are developed based on the knowledge about road map sustainable finance from OJK, the perception from bankers and application is in a daily job described through interview.

To identify banker's role and knowledge regarding sustainable finance, this research takes 10 respondents in ten big banks in Indonesia. The individual is representative of the marketing department part of the bank. The respondent's criteria must be the team leader of the marketing department in 10 big banks in Indonesia. The respondent must have a BSMR certificate as they need to know about banks' risk and credit justification. We choose the marketing department as they are the main generator of bank profitability other than that marketing employee are the person who meets
customers directly and know their business in detail. Marketing also has their judgment on which potential customer is suitable with banks risk acceptance.

The marketing department is also the first person who will be informed about the new product to deliver to the customer, not only know their product but also regulation. The Marketing department has to know the regulation in the first place, a potential customer will not understand about government regulation well. The marketing department also must explain the regulation to the customer to be miss interpretation by all parties. We pick 10 big banks in Indonesia considering the size of the bank and the bank's capacity of the bank, other than that bigger bank has a signal of good human resources that have more knowledge of the product and regulations. Big banks are aware of the completeness of their products, and once there is a requirement from the customer, they will accelerate to customize the product. The lists of banks' names are BRI, Mandiri, BCA, BNI, BTN, CIMB, OCBC, Panin, BTPN, and Danamon. And if there is any stimulus from the regulator they are willing to fulfill the campaign held by the central bank or OJK.

RESULT

There are three main points in the interview to determine whether socialization from OJK about roadmap sustainable finance has been accepted well or it is still needed socialization and seminar. The second is the opinion about sustainable finance, whether as just environmental friendly or customer loyalty. The last is about the role and the needs which will be sustainable finance in the future.

| No. | Question | Respondent 1 | Respondent 2 | Respondent 3 |
|-----|----------|--------------|--------------|--------------|
| 1.  | Have you ever heard about sustainable financing? | No | No | No |
| 2.  | What do you know about Sustainable Financing? | Financing to eco-friendly business | Financing to eco-friendly business | Lending for the green project to reduce global warming |
| 3.  | What is your opinion about sustainable financing itself? | Financing to eco-friendly business | Financing to eco-friendly business | Financing to eco-friendly business. |
| a) | You have a good position in the office | | The environment is one of key business, as the save planet, sustainability will get by all the people | |
| b) | Good target achievement | | Financing to the company directly take natural resources | |
| c) | All creditors pay their obligation in timely manners | | Natural resources are needed longer time in recovery. It seems that go green has become one of the ways to avoid disasters such as floods and earthquakes. | |
| d) | Customer loyal to the bank/not easily change their operational bank | | | |
| No. | Question                                                                 | Respondent 1                                      | Respondent 2                                      | Respondent 3                                      |
|-----|--------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
|     | e) Financing to ecofriendly business                                     | Yes, but it is for several industries             | Yes, but only for completeness of documents       | Yes, customer need to make sure the environmental impact analysis letter |
|     | f) Others, please explain………                                           |                                                  |                                                  |                                                  |
| 4.  | 4. Do environmental issues become one of the credit considerations? How important is the environmental assessment? |                                                  |                                                  |                                                  |
| 5.  | 5. When making credit judgment which are the main criteria and the least? | 1. Profitability                                | 1. Profitability                                | 1. Profitability                                |
|     | a) Character of customer                                                  | 2. Character of customer                        | 2. Character of customer                        | 2. Character of customer                        |
|     | b) Guarantees                                                             | 3. Guarantees                                   | 3. Guarantees                                   | 3. Guarantees                                   |
|     | c) Profitability/cash flow                                                | 4. Environment factor                           | 4. Environment factor                           | 4. Business                                     |
|     | d) Positive/negative factor to the environment                            |                                                  |                                                  |                                                  |
|     | e) Others, please explain………                                           |                                                  |                                                  |                                                  |
|     | Please sort it which is the most priority and the last priority.         |                                                  |                                                  |                                                  |
| 6.  | 6. In your opinion, is sustainable financing that OJK construct is important? Could you explain the implementation of sustainable financing at your bank? | Maybe it will be important in the future, the urgency at this moment is meaningless. In our bank, itself we do not assess the environmental risk of the customer. | It is important to regulate an industry that directly takes natural resources, we as a financial institution only see how the business going. As long as I know, there is no implementation of it in our bank. | For human beings, sustainability is the key to a good life. And financing to be a green project is quite risky. So, need to be regulated. And for implementation in my bank are only to support the regulator campaign. |
| No. | Question                                                                 | Respondent 4                                | Respondent 5                                | Respondent 6                                |
|-----|--------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|
| 2.  | What do you know about Sustainable Financing?                            | Lending to go for green project             | Keeping financing even in disaster condition | Giving to loan eco-friendly business.        |
| 3.  | What is your opinion about sustainable financing itself?                 | Financing to eco-friendly business.         | Financing to eco-friendly business.         | Financing to eco-friendly business.         |
|     | g) You have a good position in the office                               |                                             |                                             |                                             |
|     | h) Good target achievement                                               |                                             |                                             |                                             |
|     | i) All creditors pay their obligation in timely manners                  |                                             |                                             |                                             |
|     | j) Customer loyal to the bank/not easily change their operational bank   |                                             |                                             |                                             |
|     | k) Financing to eco-friendly business                                    |                                             |                                             |                                             |
|     | l) Others, please explain………                                               |                                             |                                             |                                             |
| 4.  | Do environmental issues become one of the credit considerations? How      | Yes, we only see from government letter not | No, It is not necessary to assess the impact | Yes, it will become necessary to assess the  |
|     | important is the environmental assessment?                               | seeing the real impact on the environment.  | of special business such as energy business. |                                             |
| 5.  | When making credit judgment which are the main criteria and the least?   | 1. Profitability                           | 1. Character                               | 1. Profitability                           |
|     | a) Character of customer                                                 | 2. Character of customer                   | 2. Guarantee                              | 2. Character                               |
|     | b) Guarantees                                                            | 3. Guarantees                              | 3. Profitability                          | 3. Guarantee                               |
|     | c) Profitability/cashflow                                                | 4. Environment factor                      | 4. Period of loan                          | 4. Industry prospect                       |
|     | d) Positive/negative factor to the environment                           |                                             | 5. Profitability                          | 5. Environment factor                      |
|     | e) Others, please explain----------                                     |                                             |                                             |                                             |
|     | Please sort it which is the most priority and the last priority.         |                                             |                                             |                                             |
| 6.  | In your opinion, is sustainable financing that OJK construct is          | At this moment are not necessary, many     | It is good to regulate it if we see the     | The first step is important.                |
|     | important? Could you explain the implementation of sustainable financing  | parts need to be more focused such as the  | urgency the current situation is not        | Yes, we assess several industries.          |
|     | at your bank?                                                             | fraud part                                 | important. If we say for the green        |                                             |
|     |                                                                         | I don’t see any product about              | lifestyle in the                          |                                             |
| No. | Question                                                                 | Respondent 4                                      | Respondent 5                                      | Respondent 6                                      |
|-----|--------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
|     |                                                                          | sustainable financing                              | bank it is yes.                                   |                                                   |
|-----|--------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| **Continued…** |                                                                 |                                                   |                                                   |                                                   |
| No. | Question                                                                 | Respondent 7                                      | Respondent 8                                      | Respondent 9                                      |
| 1.  | Have you ever heard about sustainable financing?                         | No                                                | No                                                | Yes                                               |
| 2.  | What do you know about Sustainable Financing?                            | Good communication in customer and fulfill customer needs, so the customer will trust the bank. | Long term relationship to the customer            | Financing to the customer that has a good impact on the environment |
| 3.  | What is your opinion about sustainable financing itself?                 | All creditors pay their obligation promptly.      | Customer loyal to the bank /not easily change their operational bank | Financial to eco-friendly business.              |
| a)  | You have a good position in the office                                  |                                                   |                                                   |                                                   |
| b)  | Good target achievement                                                  |                                                   |                                                   |                                                   |
| c)  | All creditors pay their obligation in timely manners                     |                                                   |                                                   |                                                   |
| d)  | Customer loyal to the bank/not easily change their operational bank     |                                                   |                                                   |                                                   |
| e)  | Financing to ecofriendly business                                        |                                                   |                                                   |                                                   |
| f)  | Others, please explain……                                                |                                                   |                                                   |                                                   |
| 4.  | Do environmental issues become one of the credit considerations?         | Yes, for coal financing and other natural resources business, and others not mandatory. | Yes, the environment becomes one part of credit judgment, but it does not become the main consideration. | Not sure about the assessment but we need to complete the document, such as the environmental impact analysis document. |
|     | How important is the environmental assessment?                           |                                                   |                                                   |                                                   |
| 5.  | When making credit                                                       | 1. Guarantee                                      | 1. Guarantee                                      | 1. Business                                      |

Bank sustainability is from the performance of the customer. Once, there is a bad repayment capability it will make lower bank performance and the bank will not sustain.

If the customer is loyal to the bank, it will be a win-win solution for both parties (bank and debtors) for a long term of time. As a part of saving an environment, the company will get an indirect effect of their action. Such a lower population from the factory will make the worker stay healthy and work effectively. So it will increase profit as well beside a good climate in the area.

Not sure about the assessment but we need to complete the document, such as the environmental impact analysis document.
| No. | Question | Respondent 7 | Respondent 8 | Respondent 9 |
|-----|----------|--------------|--------------|--------------|
|     | judgment which are the main criteria and the least? | 2. Character | 2. Character | 2. Profitability |
|     | | 3. Profitability | 3. Profitability | 3. Character |
|     | | 4. Environment factor | 4. Environment factor | 4. Guarantees |
|     | a) Character of customer | | | 5. Impact on the environment |
|     | b) Guarantees | | | |
|     | c) Profitability/cashflow | | | |
|     | d) Positive/negative factor to the environment | | | |
|     | e) Others, please explain………… | | | |
|     | Please sort it which is the most priority and the last priority. | As we are facing global warming for a long time ago, OJK has a good move to take the initiative that goes green from the financial institution side. | I think sustainable financing is important for both parties, but as we can see in the field it is hard to implement considering the competition among banks. | It is important. |
|     | In your opinion, is sustainable financing that OJK construct is important? Could you explain the implementation of sustainable financing at your bank? | In the assessment, we only look for the documentary process of environmental impact. | | |

**Continued...**

| No. | Question | Respondent 10 |
|-----|----------|---------------|
| 1. | Have you ever heard about sustainable financing? | No |
| 2. | What do you know about Sustainable Financing? | Long term relationship with the customer |
| 3. | What is your opinion about sustainable financing itself? | All creditors pay their obligation promptly. |
|     | a) You have a good position in the office | |
|     | b) Good target achievement | Non-performing loans are one of the criteria for bank performance. We see several banks suffering when the NPL number is high. One of sustainability of bank coming from god NPL |
|     | c) All creditors pay their obligation in timely manners | |
|     | d) Customer loyal to the bank/ not easily change their operational bank | |
|     | e) Financing to ecofriendly business | |
f) Others, please explain……

4. Do environmental issues become one of the credit considerations? How important is the environmental assessment?

Yes, for several businesses

5. When making credit judgment, which are the main criteria and the least?
   a) Character of customer
   b) Guarantees
   c) Profitability/cash flow
   d) Positive/negative factor to the environment
   e) Others, please explain…………

Please sort it which is the most priority and the last priority.

1. Character
2. Business strategy
3. The positive or negative impact on the environment
4. Profitability
5. Guarantee

6. In your opinion, is sustainable financing that OJK construct is important? Could you explain the implementation of sustainable financing at your bank?

Those roadmaps are good but well socialization will be perfect.

No special treatment for it

From the first point on the socialization conducted by OJK has reached the bankers than the results of interviews 8 out of 10 people have never heard of sustainable finance. 2 is sufficient on sustainable finance, but the whole does not know the content of the sustainable finance roadmap published by OJK. And according to the bankers have not seen the urgency at this time.

The opinion about sustainable finance of banker has its interpretation, 6 of 10 respondents explained that sustainable financing is financing to customers who have a positive environmental impact or green environment. Answering the challenge of the times and many natural disasters becomes the focus toward financing environmentally friendly industries. It is because the financing is still minimum in that sector. Then, 4 of 10 respondents stated that suitable finance is a long-term relationship between bank and creditors, if bank and creditor can complete each other, they will get a good relationship. With good finance, sustainable finance will be maintained. A creditor will remain as the assessment is done by the bank toward the creditor.

In this last part, all respondent does not place justification of environment factor impact as credit analysis in the first order. In the third place, it is still dominated by debtors, creditor finance circumstance, and guarantee which is lent by a creditor. Even though they realize the important environmental factor is because the cost-benefit approach still becomes the first benchmark. Long term relationship is more liked by banker than the negative impact of environmental damage. Bankers recognize the cash flow impact from the determined environmental friendly policy, but Indonesia still focuses on economic growth and long term relationship.
DISCUSSION

Starting with the first question about whether you ever heard about sustainable financing, 8 of 10 respondents have not yet heard about it and two people already heard about sustainable financing. The 2 respondents know about sustainable financing as they have been attended sustainable financing training. However, the 2 respondents attended training in sustainable finance, they never look or read about the OJK roadmap about sustainable finance.

In the second part of the question, we ask about sustainable finance, and 6 out of 10 respondents answer it that sustainable financing is bank financing to eco-friendly business. They are mentioning that one of the company's key success is sustainability by concerning their environment, which impacts positively. A good environment will make a win-win solution for both parties which is a bank and their debtors. The others mention that sustainable finance is about the loyal customer and a good repayment capability of the customer. As we know, bank performance depends on their customer's repayment capability, once it is default will impact banks' performance.

Looking at the environmental factor seems that the current condition is not necessary. As mentioned mainly environmental impact is supplementary, not a mandatory assessment, other than that they all put not a priority on the environment. Several respondents acknowledge the importance of sustainable development through sustainable finance, but the urgencies are not in the current stages.

As discussed earlier, the main purpose of this research is to see how Indonesian bankers respond to the OJK roadmap of sustainable finance. As we know from previous studies, that there are many interpretations understood differently by every banker based on their general knowledge. This is because we need to know the penetration of sustainable finance literacy is well received or not to the banker as a key success of sustainable finance. We need to check with the bank marketing department as they are meet the customers and know well how customer business going. This penetration checking to know how far the OJK campaign of sustainable finance executed in banks not only guidance in a book.

Training about sustainable finance must be conducted not only for the marketing department but also for all bankers. They are all related parties in banks such as the marketing department and credit review department. The other important things are to make some products related to the OJK roadmap, such as financing for the eco-friendly business. In the first place, the bank needs to comply with their regulation about profitability customer and sustainable source of repayment, and then through some assessment to their eco-friendly business is needed. Banks can give some bonuses such as low provision and lower interest rates which comply with bank requirements about eco-friendly business financing. It will be a win-win solution for related parties, between regulators (OJK), banks, and customers.

This study's importance is to know how depth Indonesian bankers know about sustainable finance, are they have some understanding with regulator view or not. With this research, the regulator will know how depth Indonesian bankers understand sustainable finance in their daily activity. The regulator could take immediate action to be more active in making sustainable finance campaigns, especially to Indonesian bankers with authority in the lending process. To make the campaign attractive, several reward-related to sustainable finance may be needed. The key success of sustainable finance is coming from the banks; banks have to know the importance of sustainable
finance for sustainable development. The starting point is from their marketing department, credit department, and product development. Those 3 departments will be the main key success of the sustainable finance campaign. As long as become popular among the bankers, there will be a positive impact on sustainable finance campaign.

Collaborations among banks may be needed to complete the product as we see for an environmental project usually in a huge amount, and the bank needs to diversify their risks. Good knowledge will be the key to collaborations that can make a community of sustainable finance teams among the banks. The competition will make quality, but collaborations will give a better product. One and another can fulfill the blank part that cannot be complete with their knowledge. Bank as an institution should educate their employee about sustainable finance, not only focus on banks profit that could make bank sustain but also sustainable development. As we look back to triple bottom line theory which is profit, people, and the planet. Banks will get profit with their business as usual, but for future development, they need to be trained to get more knowledge in this case the literacy of sustainable finance. For the planet, we need to care about it as today there are many threats such as disaster of climate change, flood, and storm. We know that banks financing big project infrastructure and banks need to consider how to protect the environment as a role of financial institutions in developing sustainable finance.

CONCLUSION

From the interview with 10 respondents who work in a bank, it can be said that there are still many bankers who have not to get the information about sustainability finance, the knowledge about sustainable finance also needs to be deeper. Bankers have an excellent view of the needs of finance in business sectors that directly deals with natural resources to maintain a healthy life from nature. However, most of them are still oriented to profit. A long-term relationship with debtors becomes the most important concern, debtors' effort directly proportional to the bank's profit.

From the implication, the socialization is needed more about sustainable finance by OJK and training about sustainable finance and assessment in doing analysis are also needed. In this globalization era, the brand value should aware of social conditions and the surrounding environment in which both factors sustain the sustainability of the company and society. Not only for bank employees but also the business owner as well. Once there is some requirement on customer needs, banks should evolve to compete with the new product. Competition between banks is derived from customer needs, once one bank releases a new product about sustainable finance the other bank will do the same. So the drivers not only at the bank's side which launch a product but also customer pressure that made banks thinks to made such those products.

There will be a useless product once banks launch sustainable financing products if the product is not suitable for their customers or potential customers. A bank could attract the customer but to be matched with customer needs is more important to drive innovation in banking product. In the first place, banks should train their employees about sustainable finance roadmap from OJK, to understand what regulators want with their roadmap. We know that many employees work at the bank, we think that for the first step is starting from marketing department which is they directly contact customer, so they know well about customer needs. Second is the credit review department, so they can assess which criteria are suitable for bank risk.
acceptance, so there will be a win-win solution between bank profitability and customer needs. And the last is the product development department, to capture customer needs and bank risk acceptance criteria banks have to make some formula and make some list of criteria to be captured by the bank. Not only for the customer but also a good development of the product be value-added in competition among banks.

To make it down to earth banks can implement a green lifestyle by doing several campaigns such as digitalization and no paper policy. This is one of the strategies to make all employees think about the importance of being an ecofriendly business. As triple bottom line theory, profit, people, and the planet. Banks have to generate profit but don’t forget about the people the stakeholder of the banks and also the planet by how their customers taking care of their waste. A small movement will be a good result than only think about bigger profit.

The government can take action and give some role at the corporate level about sustainable finance. By the policies, it can accelerate literation about sustainable finance to all stakeholders especially the business owner and all related parties. Indonesia infrastructure is increasing rapidly and projected up to 2030 the project will keep increasing as there are many developing cities around Java island and outside java. The increasing number of warehousing area and tolls road it can be impacted by the environment directly or indirectly. In a short term maybe we cannot see the impact but in a long run, there must be an impact due to building development. Policies that can accelerate sustainable finance is urgently needed for sustainable development. Banks and their customer must need a win-win solution for their sustainable development. On a grass-roots, we can see green self-funding or crowd-funding. Such as collect some waste and the customer get a point that can be exchanged with medicine. Looking from the society, the corporate level must make a move to create awareness to their employees and related stakeholders of the importance of sustainable finance for sustainable development.

The limitation of this research is we have no information about which employees have already had training about sustainable finance that conduct by OJK. Maybe if we interview employees with better knowledge about sustainable finance we can discuss more in implementation in banks and how to spread the information on sustainable finance. As many employees know about sustainable finance, hopefully, there will be many initiatives about a new product coming from the employees who work in product development, and for marketing department can look to the customer needs in the future about sustainable finance product.

Future research should implement to all banks and how the regulator runs the tasks and the roadmap is suitable with the plan. Then the research needs to analyze what factors that emphasize in measuring environmental factor in analyzing credit so that it can be grip to creditors and banks. Banks’ perspectives must be described in a clear way such as assessment of customer profitability and personal judgment about business. Also, a review of sustainable policies is needed to make sure the implementations and how effective the policies can encourage the bank to do some sustainable finance.
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