

## **ABSTRACT**

*The value of a banking firm is one of the key indicators in gaining investor trust in the capital market. However, fluctuations in firm value over time indicate uncertainty in the factors that influence it, particularly in the context of emerging market banking facing the COVID-19 pandemic and the digital banking euphoria. This study aims to examine the effect of Non-Performing Loan (NPL), Return on Assets (ROA), and Leverage on Price to Book Value (PBV) as a proxy of firm value within the framework of Signaling Theory, with the moderating role of Bank Age.*

*This research was conducted using a sample of banking companies listed on the Indonesia Stock Exchange (IDX) during the period 2018 to 2024. The sample was selected using purposive sampling, resulting in panel data observations analyzed using panel data regression with the Fixed Effect Model as the selected model to examine both direct and moderating effects.*

*The results indicate that leverage has a positive effect on firm value, while NPL and ROA do not show significant effects. Furthermore, Bank Age is found to moderate the relationship between leverage and firm value, indicating that the effect of leverage varies depending on the stage of bank maturity. These findings suggest that firm value in the banking sector is not only influenced by financial performance indicators but also by how these signals are interpreted across different institutional conditions.*

*Keywords: Non-Performing Loan, Return on Assets, Leverage, Price to Book Value, Bank Age, Signaling Theory, banking.*

