DOES DIGITAL BANKING AFFECT THE VALUE OF BANKING COMPANIES IN THE CURRENT ERA?

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A R T I C L E   I N F O

A B S T R A C T

Research Purposes *The purpose of this research is to analyse the relationship between digital banking and the value of banking organisations as a function of information asymmetry and cautious accounting.*
Research Methods. *Using a quantitative methodology and 184 samples drawn from the IDX IC Indonesia Stock Exchange's panel/pooling data set covering the years 2018–2022, this research draws conclusions. E-Views data processing 12.*
Research Results and Findings. *While information asymmetry does not have the potential to adversely implication the company's worth, the investigation reveals that Prudence accounting and digitization of banking may have a positive and substantial implication. Given that these final discovery, it's clear that digitising banking is crucial in the modern banking industry for increasing firm value and helping the community.*

A B S T R A K

Tujuan Penelitian. *Riset berikut tujuannya yaitu menyelidiki pengaruhnya asimetri informasi, prudence accounting kepada nilai perusahaan perbankan dengan variabel pemoderasi ialah digital banking.*
Metode Penelitian. *Riset berikut memanfaatkan pendekatan kuantitatif serta data sekunder dari IDX IC Bursa Efek Indonesia yang merupakan panel/pooling selama lima tahun dari 2018 hingga 2022 dan didapat sampel penelitian sebanyak 184 sampel. Data diolah menggunakan E-Views 12.*
Hasil Penelitian dan Temuan Penelitian. *Hasil analisis menunjukkan bahwa Prudence accounting dan digitalisasi banking mampu mempengaruhi positif bersignifikan kepada nilai perusahaan, sementara asimetri informasi tidak mampu mempengaruhi nilai perusahaan secara negatif bersignifikan. Temuan ini menunjukkan bahwa pentingnya digitalisasi banking di dunia perbankan di era sekarang untuk peningkatan nilai perusahaan dan bermanfaat bagi masyarakat.*

INTRODUCTION

The Industrial Revolution 5.0 is increasingly happening this year; the Industrial Revolution can direct all industries to digitize continuously. The rapid development of digital technology is inseparable from its implication on the banking industry in the current era (Peraturan Otoritas Jasa Keuangan, 2019). Digitalization of banking can change the shift in banking services from conventional forms to digital-based financial services (Niemand & Coen, 2021). This change is inseparable from technological development innovations that can encourage the growth and development of the Indonesian economy and lead to an increase in the company value of the Bank.

Along with the times, the need for technological innovation is one of the top priorities in increasing the worth of the banking sector. Banks were chosen as objects in this investigation because they are the pillars of Indonesia's economic development. Therefore, the worth of the banking sector must be maintained, and of course, digitalization will always be related to the banking world.

The research gaps of several previous studies from this investigation include: Given the findings from the investigation by Wahyudi et al. (2022), it has been found that the value of bank companies tends to escalate when there is an imbalance in the information available to investors. This is because the presence of asymmetric information leads to an

increase in stock prices, as highlighted by Wahyudi et al. (2022). An investigation conducted by Putri and Diantini (2022) suggests that information asymmetry does not imply the value of banking firms, as indicated by Murdiyono's research in 2017. However, Murdiyono's findings from the same year suggest otherwise (Murdiyono, 2017).

Prudence accounting, as discovered by Hejranijamil et al. (2020), has been found to potentially reduce profit manipulation and enhance the overall worth of a business. According to an investigation conducted by Safitri et al. (2023), it has been found that prudence accounting has a positive implication on the overall worth of a business. In an investigation conducted by Rosharlianti (2018), it is suggested that prudent accounting practices have a positive implication on the value of banking firms. The final discovery of the investigation supports this claim. According to an investigation conducted by Moridu (2020), digital banking does not significantly affect corporate value. The findings of this investigation align with those of Ma'aruf (2021), who similarly concluded that digital banking enhances the value of banking and finance companies. This research has incorporated control variables such as leverage, liquidity, and size. All of these control variables are derived from studies that analyzed the implications of different factors on bank stock prices.

A study by Lamba & Atahau (2022) suggests that leverage negatively impacts firm value. However, another study by Pratama & Wiksuana (2016) indicates that leverage has a positive impact on firm value. Given the research cited by Wira (2017), the presence of liquidity in the market significantly impacts the value of banking and finance companies. When liquidity is high, investors tend to be more inclined to invest, leading to an escalation in stock values. Findings from the investigation by Febriani (2020) suggest that liquidity has a negative impact on firm value.

Findings from the investigation by Suryana & Rahayu (2018) suggest that the size of banking firms has a favourable implication on their value. On the other hand, Pratama & Wiksuana (2016) discovered that more prominent companies had decreased valuations.

The difference between this investigation and previous ones is what drives it, namely, adding digital banking as a moderating variable, knowledge, and research. In contrast, all previous studies used digital banking as an independent variable. This is the significance of this study.

The addition of this moderating variable is intended to see whether digital banking can strengthen the positive or negative relationship between prudence accounting or information asymmetry on the worth of the banking sector. Digital banking moderation variables are used because in every banking company in general, in every process of operational activities that lead to improved performance that makes the worth of the banking sector escalate, customers will respond positively to the use of digital banking in the Bank's operational activities and will make the worth of banking sector will indirectly continue to escalate. Thus, expected Digital Banking as a variable moderation can strengthen the influence of both variables independent of dependents. This study adds leverage, liquidity, and size as control variables. This is expected to prevent the existence of omitted variables to avoid the existence of biased research results.

This research has also used several previous research references using publish or perish (POP) software and Vos Viewer 1.6.18.
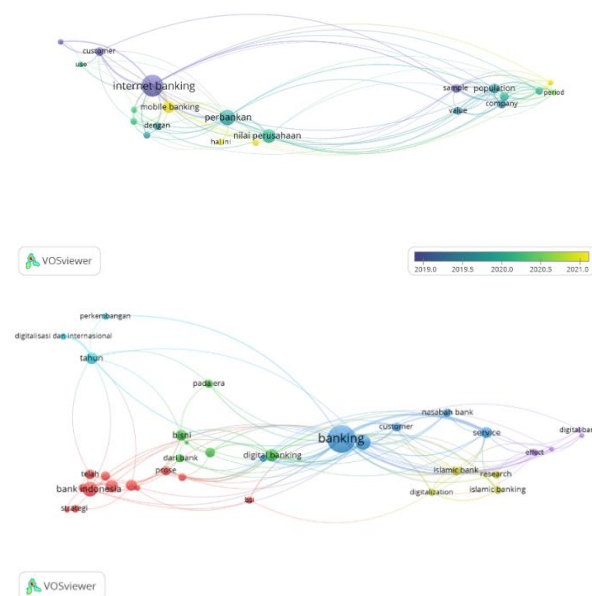

Figure 1. Vos Viewer Banking Company Value and Digital banking

From the use of vos viewer in Figure 1, it is found that the banking sector's worth is rarely associated with digital banking. Digital banking is rarely associated with information asymmetry, prudence accounting, and banking firm value, so adding digital banking variables adds variety and novelty to this study. The addition of digital banking measurements was also added in this investigation where previously the Peraturan

Otoritas Jasa Keuangan (POJK) measurement in 2016 explained the digital banking measurement index, including Automated Teller Machine (ATM) for financial transaction services such as deposits, transfers to payments from checking or savings accounts even to top up electronically (Peraturan Otoritas Jasa Keuangan, 2019). Cash Deposit Machine (CDM) functions as a means to receive customer cash deposits. Electronic Data Capture (EDC) is used to read cards or enter personal identification numbers (pins), phone, SMS, mobile banking (PB), e-money banking branches, and E-payments. We added Peraturan Otoritas Jasa Keuangan (2018), where we added four dimensions and four indicators. Namely, the first dimension and indicator is a camera, microphone, speaker and video service to conduct digital banking transactions through video banking; the second dimension and indicator is an e-ktp reader and fingerprint scanning machine used to read data and validate e-ktp as now (Peraturan Otoritas Jasa Keuangan, 2019). The third dimension and indicator is the camera recording customer activity during transactions to avoid fraud and fraud in the banking world. The fourth dimension and indicator is an automatic card-making dispenser without going through a customer service transaction. With this machine, the customer immediately gets a new ATM card at registration or card replacement. Ten dimensions and indicators are obtained from the addition of four dimensions and four new indicators, which are significant in this study.

The formulation of the problems that this research tries to examine in this investigation are as follows: Does information asymmetry have implications on firm value banking company value? Does prudence accounting imply firm value? Can Digital Banking strengthen the implication of information asymmetry on firm value? Moreover, can digital banking strengthen the implication of prudent accounting on firm value banking company value?

The objectives of this investigation that the researcher wants to achieve are To assess and ascertain the implication of information asymmetry on the worth of the banking sector, To assess and ascertain the implication of Prudence Accounting on the worth of the banking sector, To assess and ascertain the implication of Digital Banking in strengthening the implication of information asymmetry on the worth of banking sector, and To assess and ascertain the implication of Digital Banking in strengthening the implication of

prudence accounting on the worth of banking sector.

The contribution of research where academically it is hoped that this research can help increase knowledge and awareness for readers and become a reference for further research as well as the discovery of the latest novelty for technology-based financial accounting research, as well as digital banking. Practically, This investigation will provide valuable insights and serve as a valuable resource for practitioners, directors, and banking supervisor managers in Indonesia seeking to improve their company's performance through the seamless integration of digital banking. This document will provide valuable guidance for Bank Indonesia and the Financial Services Authority as they develop regulations for digital banking applications in the fifth industrial revolution.

LITERATURE REVIEW
Innovation Diffusion Theory
The diffusion of innovation theory is the grand theory of this research. This diffusion theory was developed from Rogers's thoughts (1962). With this theory, banking activities will communicate an idea or new thing that becomes an innovation; this innovation can be in the form of technological developments, science and society (Rogers, 1962).

This theory can support this research on digital banking, an innovation in developing digital-based banking transactions in the current era. The diffusion of this innovation has two concepts: adoption and relative advantage. Adoption relates to applying new ideas and actions regarding digital banking processes implemented in Book 1 banks or other countries. Adoption occurs everywhere one applies or reveals an idea, tool, or new technology in digital banking conveyed in the form of communication messages, where adoption can be observed or seen in the form of behaviour, methods or equipment and advanced technology used in banking communication activities. The relative advantage of this technology diffusion will make the advantages possessed in innovation in the banking world, whether the innovation through digital banking offered is better than before. The higher the benefits received from the banking world as an adopter, the faster the innovation can be adopted. This concept also consists of compatibility, complexity, trialability and observability.

Signaling Theory

Spence (1973) developed a signal theory which became the middle theory in this research (Connelly et al., 2011). In Theory, it is undoubtedly related to the worth of the banking sector where the owner of the information, namely the Bank, can provide signals or signals which can be in the form of both positive and negative information that can be useful for information recipients such as investors, creditors and even the government (Connelly et al., 2011). Signals from the Bank are needed to prevent information asymmetry between the Bank and investors (Nugraha, 2024).

Information asymmetry can occur when Bank management has more complete and detailed information than investors as owners. By addressing or preventing this information asymmetry, we can reduce the uncertainty surrounding the Bank's prospects, ultimately enhancing the Bank's value and long-term viability. The concept of information asymmetry, which refers to the unequal knowledge that participants in a financial transaction may have regarding the risks and benefits involved, is indirectly linked to signalling theory. This is where one particular party has information (Uswati & Sekar, 2016).

According to Luffarelli & Awaysheh (2018), two signals in the signalling theory provided by the Bank include direct and indirect signal theory. Direct signals are theories sent by parties that claim to provide information of a certain quality, such as bank management. In contrast, indirect signals are signals from third parties supporting the truth of direct signals. Signals about banking can be in the form of good news and bad news. Investors use these signals to create perspectives on companies when making decisions. Signals regarding the Bank's economic results information are an essential consideration for each investor, while non-financial banking performance is also one of the added values that each investor needs to pay attention to. Suppose the Bank provides signals or information for investors through digitalization developments carried out by the Bank. In that case, it will provide added value. The information published by the Bank can be considered good news and is expected to increase the value of bank companies and banking digitalization. Banking information is narrowly contained not only in the annual report but also in the sustainability report. The report reveals the company's performance and responsibility towards economic, social, partnership, peace, technology and environmental aspects (Widhiastuti et al., 2017).

Digital Banking Theory

The Applied Theory in this investigation is the Theory of digital banking, which, according to Gomber et al. (2018), explains that financial services through devices owned by banks that are integrated with digital payment systems, internet banking and various other things support financial services through technology (Gomber et al., 2018). Digital banking includes the size of new banking products, financial businesses, software related to financial data, new forms of communication and bank interaction with customers.

Today, digital banking is not just a way of interacting that some parties perceive but also a way to interact with all aspects of financial services and banking. Technological innovation here is centered on internal banks and the customer side as consumers of digital financial services (Junger & Mietzner, 2020).
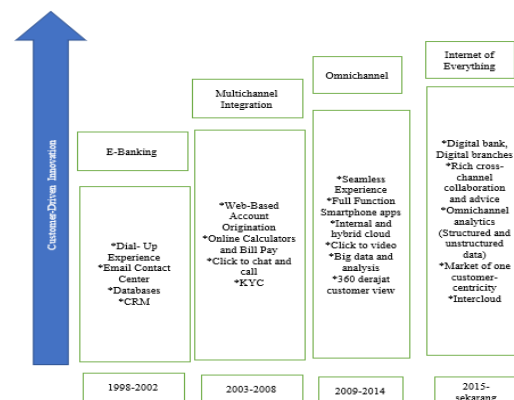

Figure 2. Evolution of Digital Banking

Figure 2 (Bradley et al., 2014) on the evolution of digital banking can explain the criteria for banking digitization. For e-banking is the stage of digitalization 1.0, then multi-channel integration is the stage of digitalization 2.0, and the third is omnichannel is the result of representation 3.0, and the Internet of everything is the result of representation 4.0. The first digitalization in the financial sector emerged in the 1990s when the Internet first appeared, and then there were web-based banking app offerings such as Internet banking. The interaction of several banking service channels, including Automated Teller Machines (ATMs), Internet banking and several counters, is increasingly widespread. Banking services are increasing with the implementation of omnichannel banking, one of the developments in banking services, namely mobile banking, in 2009. Until now, the Bank has continued to update and offer branch-less services to represent digital 4.0

and has escalated the competitive advantage for each Bank.

The 5.0 digitalization process carried out in the banking world it certainly has an implication for external parties, both society, government, and the banking industry, including:

1. Banking digitization causes greater financial inclusion than expansion from financial services to the non-financial sector. However, the role of digitization in the banking world has yet to be maximized in influencing financial inclusion and stability due to the absence of absorption to the lower strata of society. Digitalization is only reached by customers who have technological reach and achieve speed, implication and efficiency.

2. Banking digitization has the potential to provide affordable, convenient and secure financial and banking services even to low-income customers in developing countries (Ozili, 2019). Banks can strengthen the function of expanding people's access to banking digitization services. Digitalization is expected to make costs more affordable and provide banking products to low income.

3. Banking innovation and digitization here can have a positive long-term implication regarding banking performance (Ozili, 2019). Price Waterhouse Coopers (2019) shows that digital transformation has a long-term implication due to adjustments to the new banking landscape.

4. Banking digitalization can escalate GDP and escalate government revenue by providing a platform for facilitating escalated aggregate spending and then increasing higher tax revenues that arise in escalated financial transactions (Ozili, 2019).

With the digitalization of banking, it will certainly improve the operational activities of the Bank itself which will escalate the performance and worth of banking sector intrinsically and extrinsically.

Asymmetry Information

According to Sihombing et al. (2017), they explained that related to the presentation and interest in the use of financial statements, external interests may require the disclosure of a bank's financial statements with transparency and completeness and contrary to the interests of company management, which cannot provide essential and confidential information.

Information asymmetry can arise when there are divergent interests between management and external stakeholders. In an information asymmetry, one side possesses more crucial data than the other. Banks may also face trust issues as a result of differences in information. The success of a project hinges on the timeline, the specific objectives, and the information that an early bank can provide. Accurate and unbiased banking information is crucial for banks to achieve their desired advantages, ambitions, and goals.

In many cases in the banking world, although banks have prepared expert personnel and instruments of sophisticated digital technology for objective and measurable assessments, there is still the possibility that parties or prospective debtors hide information. No matter how great the analysts and instruments used, if this happens, it certainly will not provide quality management decisions. Therefore, Bank management must apply digital banking policies and need to understand information asymmetry information (Putra & Hasibuan, 2015).

Two significant problems, adverse selection and moral hazard, will emerge due to the issue of information asymmetry. Given that recent studies by Sari & Setiawan (2021) and referenced in Gerschewski et al. (2020), adverse selection arises when bank managers and employees possess superior knowledge about the company's current condition and future potential compared to external investors. Furthermore, moral hazard arises when shareholders and lenders lack a comprehensive understanding of managers' actions (Sari & Setiawan, 2021) so that the manager of a Bank can take any action given that the knowledge of shareholders can harm the state for his interests.

To relate to the information, the banking business must really get it right because if the information is obtained correctly, there will be no experience difference between investors and agents of a company. This difference is called information asymmetry. This information asymmetry occurs not only in the capital market and banking but also in other industries. Even in legal terms, this information asymmetry can also occur. Bank Lippo Tbk is known for its significant information asymmetry phenomenon, a topic of interest in the history of per-Bank Indonesia. In this case, a publicly traded and recapitalized bank provided contradictory reports to the general public and the upper management of JSX, highlighting a clear example of information asymmetry. Given the publicly accessible financial records, the company had a total of Rp 24 trillion in assets, with a net profit of Rp 98 billion. The JSX received information

that the company incurred a net loss of Rp1.3 trillion, and its total assets decreased by Rp1.2 trillion to Rp22.8 trillion rupiah.

Prudence Accounting

According to Kusuma & Priantinah (2018) explaining that prudence accounting tries to relate the principle of caution and uncertainty to information about the importance of utilizing digital banking in banking operations, and this causes each company to realize to disclose a report that is not only given that a single bottom line of a company's financial condition, but also related to The Five bottom line (Financial, social and Environmental Information, partnership and peace) or commonly called sustainability report (Kusuma & Priantinah, 2018). Continuous reporting disclosure is a concept that the company is responsible to consumers, employees, shareholders, communities and ling kun in all its operations; it is intended to control conflicts of interest between shareholders, creditors and management. Moreover, it includes bank adaptation in utilizing technology in the current era. The Bank can limit conflict of interest between agent and principal by applying prudence accounting.

Researchers use prudence accounting variables because researchers try to relate the recognition of R&D expenses in the form of digital banking utilization, which the Bank should report in the financial statements sustainability report to escalate the company's value about the Bank to be invested by investors. Information asymmetry occurs because recognizing the burden many banks report in their sustainability reports can provide a positive signal to investors that banks are very concerned about the development of bank digitalization that can make bank transactions fast, precise and secure. Therefore, the Bank must apply this prudence accounting principle correctly.

Prudence is intimately associated with the Bank's management and supervisory role. The Indonesian word prudence means bi-wise, but the banking industry uses the phrase to refer to the prudence principle. According to the provisions of Undang-Undang Republik Indonesia No. 10 (1998) article 2, which explains how Indonesian banks conduct their operations given economic democracy, prudence has emerged as a new conservative concept. Here, the precautionary principle ranks high among the most crucial guidelines a bank must follow while doing business. Peraturan Bank Indonesia No. 9 (2007) states that for the company's

value to escalate, it is necessary to evaluate the Bank's health by determining the number of components of each factor that contain the term CAMELS. The predicate of bank health is heavily dependent on camels. Here are some of these aspects:

1. Capital (Capital) outlined the following elements that are evaluated as part of the capital factor:
   a) sufficient forecasts or trends, sufficient capital, and the capacity of capital to absorb risk
   b) Capital plans, the capacity to access capital sources, the economic results of shareholders, the ability to sustain and escalate capital resulting from earnings, and the ability to support company development
2. The evaluation of the following aspects and components constitutes asset quality:
   a) The concentration of risk and the risk that key customers face, as well as the quality of productive assets, which is an issue in its growth
   b) Problematic productive asset management; adequate policies and procedures; internal review system; documentation system; and performance
3. Oversight, which involves evaluating the parts
   a) Quality management, one of the main goals of implementing risk management, is to comprehend how banks handle risk.
   b) The bank's observance of all laws and regulations, dedication to Bank Indonesia and other stakeholders, and adherence to Sharia principles, including community education and the execution of social functions.
4. Fourthly, revenue (profitability), which involves evaluating the following factors:
   a) Revenue generation, expandability, risk mitigation, and efficiency levels.
   b) A bank may diversify its revenue streams by accepting a variety of fees, investing its cash and capital in different ways, and using different accounting rules to recognise different types of income and costs.
5. Liquidity (liquidity) describes the evaluation's components, which include
   a) The capacity to satisfy short-term commitments, a possible mismatch between maturities, and a concentration of financing sources

b) Stability of financing, availability of financial sources, and adequate policies for managing liquidity

6. The assessment-related components are described by sensitivity to market risk:

a) How well the bank's capital can withstand losses caused by unexpected changes in exchange rates

b) Sufficient execution of market risk management

Digital Banking

Digital banking refers to providing services in the banking world through digitalization or the online use of mobile applications, websites, and platforms. It is a form of banking service that allows customers to perform financial transactions, access account information, and manage their finances through mobile phones, tablets or websites.

Digital banking facilitates customers, so the worth of the banking sector has escalated; digital banking is a form of banking that facilitates customers in carrying out financial activities, from opening accounts to facilitating digital payments anywhere, anytime, until the form of physical transactions can be minimized. This is stated in the rules and regulations of the POJK No. 12 (2019), which explains the implementation of digital banking services by commercial banks. This regulation explains more about digital banking services. These electronic banking services are optimized to utilise customer data in the context of customer service in a more efficient, accessible and appropriate manner (customer experience). They can be done entirely independently by the customer with security aspects.

Digital banking services here can be several services for customers who want bank customers to conduct banking and non-banking transactions using mobile and internet banking applications. Where several services include:

1. Online account opening: With digital banking, customers can open an account online without visiting the office physically. Banks can now open accounts by downloading applications, filling out forms, using identity documents, and conducting electronic verification.

2. Access to account information: With digital banking, customers can view account balances, track transaction history and account statement income, and monitor financial activities and transactions in real time. Authorization is given for service without going through a teller and customer service at branch offices.

3. Customer financial transactions easier: With digital banking transactions, digital banking applications facilitate transfer transactions to others or between banks, facilitate payment of electricity, telephone, and water bills, facilitate the purchase of data packages, credit and wallet, and withdraw or pay without a card such as Qris.

4. Other services: Digital banking provides other information and transactions in banking products in general according to the needs of bank customers, such as opening online deposits, credit applications, investments, insurance and others.

Leverage

A bank's leverage is crucial for achieving its goals of maximising the value of its banking firms. It relies on implicatively utilising assets or capital with a fixed cost, such as debt or shares. Leveraging digital banking investments, the bank is expected to escalate as the value of its firms grows.

There will always be concerns regarding leverage for banks. Leverage is the ability of banks to enhance the profitability of their lending operations by utilising assets or funds with fixed costs, thereby increasing the overall value of the lending institutions. The Bank'sBank'ssation of borrowed funds or funds with a fixed burden, such as interest charges, to support its operational activities results in implementing a leverage policy. Understanding leverage is crucial when managing financial and operational fixed expenses. Enggarwati & Yahya (2016) state that the bank fBank fixed operational expenses for both short-term and long-term investment operations, which ultimately enhances the company's value.

Liquidity

If a bank possesses ample liquid assets, it should be able to settle all of its short-term debts promptly. A company's liquidity can be described as its ability to efficiently convert a portion of its current assets into cash rather than focusing on its overall financial well-being. This liquidity is a problem for banks when meeting their financial obligations immediately. A company has liquid tools so large that it can fulfill all financial obligations immediately; the calculation of liquidity in this context has a significant implication on the economic results of the firm. This, in turn, has a direct implication on the share price and, ultimately, the overall value of the company (Enggarwati & Yahya, 2016).

Size

Widiastari & Yasa (2019) explained that size is a scale used in classifying the size of a bank, given that total assets, the number of sales or revenues, and the value of shares will affect the size of the Bank in the use of extensive technology (Widiastari & Yasa, 2019). Larger banks will tend to allocate more considerable funds for many banking digitalization activities related to technology in improving banking sustainable performance both financially and non-financially due to pressure and government from stakeholders and Bank visibility, so the size of the company can affect the worth of banking sector (Bose et al., 2016).

Hypothesis Development
Information asymmetry negatively affects the value of Banking Companies

Arrow (1963) describes information asymmetry in banking as a condition in which one party to a transaction has more information than the other. In the banking world, information asymmetry will continue to occur; information asymmetry occurs due to differences in information about a situation where bank managers have different and better information and knowledge about the actual state of a bank than investors as owners (Arrow, 1963).

This banking information asymmetry occurs due to the existence of bank managers who are superior in mastering information compared to other parties, both stakeholders and shareholders. They will use this information for personal interests, from using information for the bad to making the negative implications of this information asymmetric on the worth of the banking sector.

Asymmetric information between management and owners will instead provide an opportunity for Bank managers to behave and act opportunistically, which is more concerned with personal interests. Asymmetric information consists of adverse selection, where managers and owners or insiders in banking know more information than investors, and the second is a moral hazard, which is an activity carried out by the owner but not known by investors. Due to human nature being dynamic and imperfect, asymmetric information is bound to happen. Hence, the need for ways or activities that are preventive and repressive in addressing the problem of asymmetric information is by way of improving systems and technologies in the form of

digital banking that aims at reducing the risk of consequences of asymmetric information and, which requires credit guarantees.

Grand technology diffusion theory strongly supports this variable because the bank management accelerates to immediately use digital banking in every action of its decisions, both internally and externally, will always have an implication on increasing the value of the company and is responsible for investors as external parties, while signalling theory supports this variable where the existence of information asymmetry of banks externally made by banking companies in the form of escalated digital banking makes a positive signal for investors to invest in the bank and Prevention of negative information asymmetry that tends to be opportunistic than management.

Research conducted by Murdiyono (2017) explains that information asymmetry negatively affects the worth of the banking sector. Moreover, this investigation's final discovery supports the development of the first hypothesis. Given all the above explanations, the first hypothesis developed in this investigation is:

H$_1$: Information asymmetry negatively affects the value of Banking Companies

Prudence Accounting has a positive implication on the value of Banking Companies

Wulandari & Herkulanus (2015) explained that Prudence accounting is a precautionary principle when treating estimates with existing uncertainty conditions so that assets or income in banks are not declared too high, and liabilities or expenses are not declared too low. However, when it comes to banking, the prudence principle does not allow the formation of excessively high amounts or allowance for receivables by deliberately setting assets, income, liabilities or expenses too high.

Prudence accounting has a vital role in reducing information asymmetry in the banking world by making bank agents more open to existing information and a form of bank caution against environmental uncertainty. Poor financial conditions (financial distress) in the banking world due to the covid 19 pandemic will encourage shareholders to carry out operational activities, such as replacing managers; this threat encourages managers to conduct management or accounting profit levelling, which is one of the performance benchmarks.

Moral hazard activities will undoubtedly be involved in levelling profits and providing

information asymmetry to provide positive signals to customers and investors that the Bank is in good shape. Prudence accounting is also closely related to signalling theory. According to Lo (2005), managers can set the level of prudence of a financial statement that is problematic. Companies in financial distress tend to provide information asymmetry and apply prudence to be careful about economic uncertainty (Zuhriyah, 2017). Prudence can slow the recognition of profits and accelerate costs, resulting in high levels of debt; this condition occurs when the level of bank debt is higher and the more likely the company will violate credit agreements, so companies will try to report higher current profits by reducing existing costs. Prudence accounting can imply the asymmetry of information and lead to an increase in the company's value.

Technology diffusion theory as grand theory and signal Theory as middle theory support this research where prudence can prevent information asymmetry for investors where with the correct prudence leverage is done per-bank, insufficient information is more quickly obtained by customers and stakeholders than good information, so that with the company applying the prudence prevents significant losses in the future to investors and, in addition, the theory of diffusion of technology as well as the grand theory supports this research by providing accountability to the stakeholders, namely investors and others. Given all the above explanations, the second hypothesis developed in this investigation is:

H₂: Prudence Accounting positively affects the value of Banking Companies

Digital Banking reinforces the negative implication of Accounting information asymmetry on the value of Banking Companies

Technology diffusion theory supports digital banking because when banks decide to take responsibility for stakeholders, they must continue to develop existing technologies to improve the performance and value of the company. Investors will also feel flattered and invest in their shares so that the wisdom of the Bank in the development of technology will make transactions easier for them. While signalling theory supports this investigation when there is a positive signal to customers about our bank, more and more investors are investing in the bank, legitimacy theory as a supporting theory certainly explains that each bank takes digital banking actions to improve performance. With conventional and Sharia banks continuing to

implement digital banking in their operations, they can avoid the many challenges and obstacles of sustainability due to existing global economic and environmental issues. Given all the above explanations, the third hypothesis developed in this investigation is:

H₃: Digital Banking reinforces the negative implication of information asymmetry on the value of banking companies.

Digital Banking reinforces the positive implication of prudence accounting on the value of banking enterprises

Technology diffusion theory supports digital banking because when the Bank decides to have a responsibility towards stakeholders, it must continue to develop existing technology to improve the performance and value of the company. Investors will also feel flattered and invest more in their shares so that the wisdom of the Bank in the development of technology will make transactions easier for them. While signalling theory supports this investigation when there is a positive signal to customers about our bank, more and more investors are investing in the bank, legitimacy theory as a supporting theory certainly explains that each bank takes digital banking actions to improve performance. With conventional and Sharia banks continuing to implement digital banking in their operations, they can avoid the many challenges and obstacles of sustainability due to existing global economic and environmental issues. Considering the information presented, the study's fourth hypothesis can be stated as follows:

H₄: Prudence accounting has a positive implication on the value of banking firms, which is further strengthened by the presence of digital banking.

Leverage affects the value of Banking Companies

Leverage refers to the extent to which a bank may employ assets or capital with fixed expenses, such as debt or shares, to increase the company's value. After the bank applies leverage, it is expected that the bank's wealth level will also escalate. Leverage concerns are a perpetual challenge for banks. Leverage is the ability of banks to enhance a company's profits by utilising assets or cash with fixed expenses. The levies policy is implemented when the bank utilises borrowed money or funds with a specific obligation to sustain its operational activities, namely the bun-ga burden. Leverage will always deal with both operating and financial fixed costs. Fixed operating costs incurred by banks are also for investment

activities, both short and long-term, that lead to an escalation in the value of the company.

Liquidity affect the value of Banking Companies

If a bank possesses ample liquid assets, it should be able to settle its short-term debts promptly. Understanding a company's financial health involves assessing its liquidity, which refers to how quickly and easily it can convert current assets into cash (Malau et al., 2019). This liquidity is a problem for banks that cannot meet their financial obligations quickly. A company has liquid tools so large that it can fulfil all financial obligations that are immediately fulfilled. Liquidity here is calculated and affects the company's economic results about the company's stock price, and from there, the company's value will be affected (Enggarwati & Yahya, 2016).

Size implication on the value of Banking Companies

Widiastari & Yasa (2019) explain that Bank size is a scale used in classifying a bank's size given total assets, the number of sales or loans, and the value of shares. Larger banks will tend to allocate more funds for many technology-related digitization activities in improving the bank's sustainable performance both financially and non-financially due to pressure and government from stakeholders and bank visibility, so the size of the company can affect the value of the bank's sustainable performance (Bose et al., 2016).
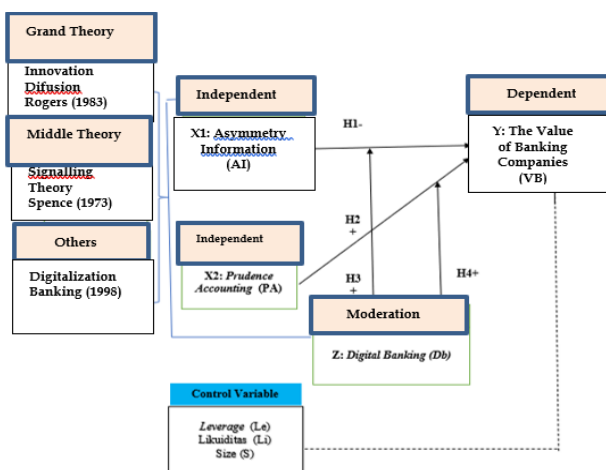
Research Model

Figure 3. Research Model

RESEARCH METHODS

The design and design of this investigation is quantitative research. Hair et al. (2017) explained

that quantitative research is an investigation conducted to analyze and test the causal relationship or implication between the independent variable (free) and the dependent variable (bound). The method and design of this research, Dida-lam, include quantitative methods of data panel/pooling, in which research is conducted at different times and sequentially by beginning first. The panel/pooling Data used is banking data for five years, namely 2018-2022. This investigation also uses a score index to measure the digitalization of banking, using scores obtained given the completeness of digital banking.

The research method carried out is quantitative, using secondary data from IDX IC Indonesia Stock Exchange. According to Sugiyono (2019), secondary research methods are research methods that use and involve the use of existing or available data, in this case, IDX data.

Existing Data are summarized and structured to improve the overall implication of the study. This investigation is supported by previous research from the journals with Scopus indexes, namely Emerald and Elsevier; the Sizeo scale and the development of the latest research measured the Size of each dimension and indicator in this investigation. This investigation aims to analyze the units studied in Indonesia's banking industry. At the same time, the subject is the Financial Statements of banks that implement banking digitization in the form of financial statements from each bank that serve as research samples. The unit of analysis then determines the appropriate criteria for this research in each subject. The last part of the research design is data analysis to answer the research hypothesis, which was conducted in the chapter discussion (Ghozali, 2019).

In this study, which became object, the research was divided into two independent variables, which had the object of research in the form of information asymmetry and prudent accounting, one variable of digitalization banking moderation, three control variables, namely Size (uSizean Company), liquidity, and leverage and one dependent variable, namely the worth of the banking sector.

Qualification of the financial statements to be displayed as the object of this investigation is all banking companies in Indonesia, both conventional and Sharia, listed on the IDX at www.idx.co.id. Given the variables, Hair et al. (2017) explain that the minimum number of samples to be taken when using regression analysis techniques is as much as ten times the number of

indicators. This investigation has 20 indicators in this investigation until the minimum number of samples in this investigation is 200 samples of banking enterprises and 235 samples.

The criteria for sampling companies in this investigation using the following criteria:

1. All conventional and sharia banks that published complete financial reports, including sustainability reports and CSR reports, in the idx in Indonesia Stock Exchange (www.idx.co.id) during the 2018-2022 period, as well as news or websites of banking companies.
2. All banks that have implemented the concept of digital banking for their sustainability reporting. Banks have the variables needed in this study.
3. All banks that have displayed complete information from the ATM transaction process, CSR, Total Credit, net income, as well as other information that is needed in this study.

This investigation emphasizes all types of banking data, both conventional and Sharia, books I, II, III or IV. The population design used in this investigation is a list of companies that fall into the finance sector and banking sub-sector.

Sugiyono (2019) explained that there are two sampling techniques: probability sampling and non-probability sampling. This investigation uses purposive sampling of existing banking companies registered in IDX IC, using a sampling technique with specific criteria. The sample was obtained for data analysis using analysis for the Annual report.

The worth of the banking sector, according to Kurniawan (2017), using liquidity ratios. This ratio is used to assess a bank by looking at public financing of funds received by the Bank (financing to deposit ratio). The formula used to calculate bank liquidity is:

$$FDR = \frac{Financing\ Provided}{Fund\ Provided} \ x\ 100\% \ \dots\dots\dots\dots(1)$$

The first independent variable is information asymmetry, given that Hasanah et al. (2020) the information asymmetry variable has several dimensions and indicators, including the Relative bid-ask spread of company i and t, the highest ask price of company I shares on day T and the lowest bid price of company I shares on day t. The old measurement formula is as follows:

$$SPREAD_{it} = (ask_{it} - bid_{it}) / ((ask_{it} + bid_{it}) / 2)\ x\ 100_{x-1} \ \dots\dots(2)$$

The second independent variable is Prudence Accounting, which uses measurements with dimensional measurements and indicators developed by Malau & Etty (2020). This study's unique approach divides the measurement process into two parts, Bias Formula. It focuses on the specific moment when the calculation is made, given that the formula:

Stage 1:

$$AC_{i,t}/TA_{i,t-1} = b_0(1/TA_{i,t1}) + b_1(\Delta SALES_{i,t} - \Delta AR_{i,t}/TA_{i,t1}) + b_2(PPE_{i,t}/TA_{i,t1}) + \varepsilon_{i,t} \ \dots\dots\ (3)$$

The DACC represents the error that is derived from the regression equation. Given its extensive evaluation in various literature and robustness tests, the equation utilises the modified Jones Model (Dechow et al., 1995).

Next, we need to calculate the Prudence score, also known as the P-Score. The determinant of the Prudential score is calculated using the Prudential cone. The following equation gives the P-Score calculation. The p-value is equal to.:

Stage 2:

$$P - Score\ Value = \frac{Depreciation\ Expense + Other\ Comprehensive\ Income}{Total\ Assets} \ \dots\dots\dots(4)$$

Stage 3: Make Probit Regression

$$Y = \alpha + \beta 1\ P\text{-}Score + \varepsilon \ \dots\dots\dots\dots\dots\dots..\dots..(5)$$

Stage 4:
According to Heckman (1979), the obtained value of the β1 is included in the equation as follows:

$$\frac{1}{\beta 1} = lambda = bias \ \dots\dots\dots\dots\dots. (6)$$

Prudence accounting is an act of prudence in the recognition of assets or income and the recognition of costs to avoid or reduce the risks that avoid or reduce the risks that may occur. The moderation variable in this investigation is Digital Banking. The measurement of the moderation variable is given, and measurements are derived from identifying the delivery channel facilities owned by each bank in the sample, which are then calculated using an index. The measurement is given that POJK No. 12 (2019) regarding distribution channels. Banking services include Automated teller machines (ATM) for financial transaction services such as withdrawal of deposits, transfers to payments from checking or savings accounts and even electronic top-ups; Cash Deposit Machine (CDM), which functions as a means to receive customer cash deposits, Electronic Data Capture (EDC) to read cards or enter personal identification number (pin), Phone, SMS and

Mobile Banking (PB), E-money banking branch and E-Payment.

The author added POJK No. 12 (2019) added four Dimension and four indicators, namely the first Dimension and indicator camera, microphone, speaker and video services to communicate audio-visually and video banking to bank employees, the second dimension and indicator machine PEM-read e-ID card and fingerprint scanning that serves to read data and validation ektp and tin, Dimension and the third indicator is a camera for recording customer activities during transactions and dimension and the fourth indicator is an automatic card Dispenser without customer service transactions. The dependent variable is measured using an index of Hasanah et al. (2020); items disclosed by companies are given a score of 1, if not disclosed, are given a score of 0, then the number of disclosures divided by the total of all criteria that must be disclosed. So, with the addition of four Dimensions and four indicators, ten dimensions and ten indicators are significant to the study. The measurement formula used is:

$$Indeks\ Digital\ Banking = \frac{Score\ obtained\ bank}{Maximum\ Score} \quad ....(7)$$

The control variables in this investigation are leverage, liquidity, and size, which are determinants of company size. The measurements are sourced from the secondary data of each Bank's annual report. Leverage as a control variable is measured using the solvency ratio, which is used to compare several measures of profitability of banking companies, whether healthy or not. However, it can also be used to assess the company's ability to repay all short-term and long-term liabilities with the assets or wealth owned by the Bank (Kasmir, 2015). Measurement formula used:

$$Solvabilitas\ (DER) = \frac{Debt\ Total}{Equity\ Total} \quad ....(8)$$

The reason for choosing this ratio is that it can measure the level of banking health in the use of digital banking. The current ratio is a measure of liquidity that banks use to assess a company's solvency. It indicates the company's capacity to cover its short-term debts using its available liquid assets, such as cash, within a year, receivables and inventory. The current assets and liabilities line-up can be calculated in each banking financial statement (Hanifah, 2022). The measurement formula is the formula:

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Debt} \quad ....(9)$$

Size as the third control variable measured from Vintila & Stefan (2014) using the formula:

Size of Company = Ln(Total Asset)   ....(10)

Total banking assets are used as a proxy of the firm size variable because the gap is more stable and representative when looking at the company's size than when using market capitalization. It is also strongly affected by the demand and supply of banking products. Total banking assets can indicate the assets of a banking company used for the company's operational activities. If the company's operational performance improves with its asset value, it will inspire even more trust from investors and encourage creditors to put their money into the business.

This study examines the relationship between information asymmetry, cautious accounting, and the company's worth per bank. It aims to shed light on the impact of these variables on the company's value, while the moderation variable of this investigation is digital banking. The control variables of this investigation are leverage, liquidity and size. Give a number for each equation.

NPP = α + β1 AI + β2 PA + β3 DB*AI++ β4 DB*PA+ β5Le+ β6Li+ β7S+ e ....(11)

RESULTS AND DISCUSSION
Results

This investigation answers the question of whether digital banking affects the worth of the banking sector in the current era. In more detail, this investigation answers the implication of information asymmetry, Prudence accounting, Leverage, liquidity and Size affect the worth of the banking sector and whether digital banking strengthens the implication of information asymmetry and prudence accounting on the worth of the banking sector.
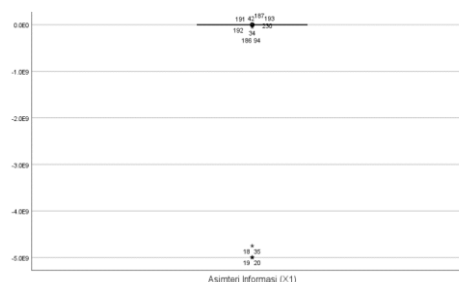

Figure 4. Asymmetry Information Outlier Test

Before the data processing has been done outlier test for Menen-tukan reduce the final discovery of the data is not good. Figure 4 are the outlier test results.
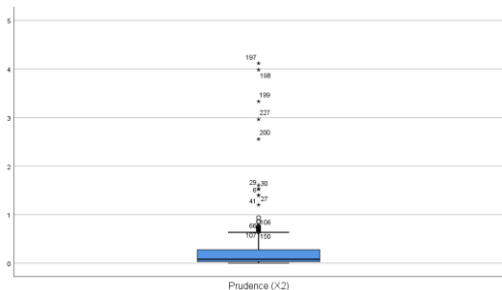

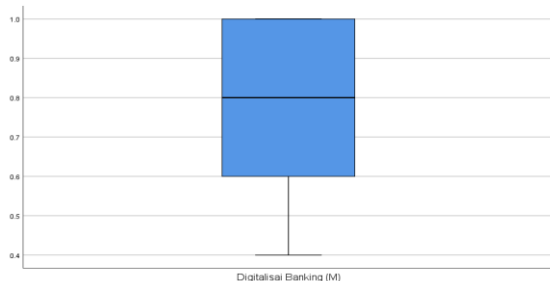**Figure 5. Outlier Prudence**

Figure 6. Digital Banking Outlier Test

Figures 4 to 6 show that the output of SPSS version 25.0 can be seen as the outlier data shown through the Star data. The further this star-shaped data then shows that the value of the data is getting away from the average value, so this starred data must be deleted in order to obtain the average value of the fit, and more shows the final discovery of valid data.

Description of Research Data

This investigation took a sample of companies in the financial sector with industrial classification G11-Banks. The selected sample is all banks listed on the Indonesia Stock Exchange (IDX) for 2018-2022. Given all the criteria proposed and after the outlier test, a sample of 184 banking companies can be obtained. The number of banking companies was obtained by comparing those listed on the IDX with companies that suffered financial statement losses that caused Company data outliers. Sample criteria are presented in Table 1 of the sample criteria.

Table 1. Sample Criteria

Description	Total
Companies listed on IDX 2018-2022	235 companies
Companies that experience losses	(-) 46 companies
Research sample	184 companies

Source: Processed Data

Descriptive statistics in this investigation appear in Table 2. Descriptive statistics indicate that the averages of all variables surpass their corresponding standard errors. In the first case, the variable indicates that the firm's value may escalate to meet the demands of the current period. The second case implies that the bank has the potential for further growth and improvement.

Table 2. Descriptive Statistics

	MAX	MIN	MEDIAN	MEAN	STD. DEVIATION
AI	0.00	-4,999,420,323	-49.85	-126,697,960.08	51.090.000,52
P	4.12	0.00	0.08	0,27	0.03
Le	4,326,213,920.00	-1.45	4.85	85,110,529.19	37,854,834.57
Li	4,901,966.81	00.00	1.11	22,486.25	20,879.70
S	2,303,684,227.00	4.47	17.05	148,935,378.76	32,352,737,.10

Source: Processed Data

The standard Deviation of all variables is less than the average, which means that the spread of a homogeneous variable is a population consisting of elements with the same properties. A correlation test is done before performing the t-test, while the goal is to see the correlation between the dependent and independent variables as follows:

Table 3. Correlation Test

	VB	AI	PA	DB	Le	Li	S
AI	-yy0.0127**	1					
PA	0.0523**	0.0263	1				
DB	0.3667**	0.0563	-0.2863**	1			
Le	0.3465**	0.0846	0.0659	0.5264**	1		
Li	0.1637**	0.0128**	0.0521	0.0542	0.1345*	1	
S	0.1625**	0.0139**	0.0537	0.0551	0.1386*	0.0145	1

Source: Processed Data

Model Selection Test

The CHOW test, the Hausman test, and the LaGrange multiplier test were utilised as model selection tools in this investigation.

1. Chow Test

   In order to determine the most suitable model, the Uji Chow test evaluates two options: the standard implication model (CEM) and the fixed implication model (FEM). If the p-value achieved is less than 0.05, the FEM model is chosen in the Chow test. Otherwise, the CEM model is selected if the p-value exceeds 0.05. The final discovery of the research was obtained through the Chow test. The FEM was chosen as the most suitable model given the chow Test results, which indicate a p-value below 0.05.

2. Hausman Test

   When considering the choice between a fixed implication model (FEM) and a random implication model (REM), the Hausman test can be a valuable tool to utilise. If the p-value obtained in the hausman test is below 0.05, the FEM model is selected. If the obtained p-value is superior than 0.05, the REM model is chosen. The Random Implication Model was selected due to the p-value exceeding 0.05, as indicated by the Hausman test.

3. Lagrange Multiplier Test

   If one wishes to determine the optimal REM using the standard implication model, one can utilise the LaGrange multiplier (LM) test. A REM model is selected in the LM test if the p-value, or probability value, is below 0.05. Otherwise, the CEM model is selected if the p-value exceeds 0.05. The final discovery of the Give Hausman examination is presented in a scholarly manner. LM test results showed the p-value bruesch-pagan value is lower than 0.05;

thus, the best model selected is the Model Random Implication Model (REM) because the two tests are random implication models. Both Hausman and LM then selected the random implication models.

4. Classical Assumption Test

   The model selected in the investigation is the Random Implication Model (REM). The panel data estimation method random Implication Model is a model that uses the generalized least square (GLS) method so that classical assumptions are not needed.

Hypothesis Test

The purpose of the hypothesis testing was to investigate the potential implication of the independent variable on the dependent variable and assess the significance of the moderating variable. In hypothesis testing, the moderation variable is assessed to determine whether it can strengthen or weaken or cannot do both. Hypothesis testing is done after removing the outliers data on each variable that interferes with the final discovery of the study. The following results of the hypothesis test on the REM model:

Table 4. Hypothesis Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.654261	1.611838	-2.887549	0.0044
Digital Banking (DB) Asymetry	3.969120	1.279476	3.102144	0.0022***
Information (AI)	0.029487	0.020637	-1.428859	0.1548
Prudence (P)	10.72174	3.676060	2.916638	0.0040***
Db*Ai	0.216782	0.063884	3.393366	0.0009***
Db*P	-0.503327	2.690290	-0.187090	0.8518
Leverage (LE)	0.304842	0.065905	4.625457	0.0000***
Likuiditas ((LI)	-0.008701	0.017605	-0.494262	0.6217
Sizekontrol3	0.014931	0.057086	0.261549	0.7940
R-squared	0.0205380	Mean dependent var		1.556197
Adjusted R-squared	0.169054	S.D. Dependent var		2.938526
S.E. Of regression	2.678650	Akaike info criterion		4.856179
Sum squared resid	1255.654	Hannan-Quinn criter		5.013431
Lg likelihood	-437.7685	Durbin-Watson stat		4.919915
F-statistic	5.653873			0.305889
Prob(F-statistic)	0.000002			

Source: Processed data

The output shows the value of R square of 0.205 or 20.5%. This shows that the variables of information asymmetry (AI), prudence (P), digital banking interaction with information asymmetry (DB*AI) and digital banking interaction with prudence (DB*P), leverage (Le), liquidity (Li), size (S) are able to affect the value of the company by 17.6%. On the other hand, the remaining 82.4% were implicationd by other variables that were not studied. The value of p-value in the F test is equal to 0.00 < 0.05. This Ha shows that the use of the research model has been fit and the independent variable used is able to affect the dependent variable simultaneously. Given that the final discovery of the output is also obtained the following equation:

The interpretation of each variable is as follows:

1. The value of constant (C) of 4.65 indicates that if all control variables and independent variables are constant or equal to zero, then the value of the banking company (NPP) will be worth a constant of 0.61.

2. The value of the coefficient of moderation, namely digital banking (Db) worth 3.96. A positive value indicates that DB has the opposite relationship to NPP. This shows that the esclate in the value of digital banking (DB) can esclate the value of the company by 3.96 for one unit. The p-value obtained is equal to 0.000 < 0.05. This means that the digitization of m banking (M) is able to positively and importantly affect the value of the company.

3. Information asymmetry coefficient (AI) value of -0.02. A negative value indicates that the AI has the opposite relationship to the NPP. This shows that an esclate in the value of information asymmetry (AI) can reduce the value of the company by 0.02 for one unit. The p-value obtained is equal to 0.15 > 0.05. That is, information asymmetry (AI) is not able to negatively and importantly affect the value of the company

4. The value of prudence coefficient (P) is 10.72. A positive value indicates that P has a unidirectional relationship with NPP. This shows that an esclate in the value of prudence (P) can esclate the value of the company by 10.72 for one unit. The p-value obtained is equal to 0.00 < 0.05. That is, prudence (P) is able to positively and importantly affect the value of the company

5. The value of the coefficient of interaction of digitization with information asymmetry (DB*AI) is 0.21. A positive value indicates that DB * AI has a unidirectional relationship with NPP. This shows that the esclate in the value of M banking digitalization interaction with information asymmetry (DB*AI) can esclate the value of the company by 0.21 for one unit. The p-value obtained is equal to 0.00 < 0.05. This means that the interaction of digitization of m banking with information asymmetry (DB*AI) is able to positively and importantly affect the value of the company.

6. The value of M banking digitalization interaction coefficient with prudence (DB*P) is 0.503. A negative value indicates that DB*P has the opposite relationship to NPP. This shows

that the esclate in the value of M banking digitalization interaction with prudence (DB*P) can reduce the value of the company by 0.53 for one unit. The p-value obtained is equal to 0.85 > 0.05. This means that the interaction of M banking digitalization with prudence (DB*P) is not able to positively and importantly affect the value of the company.

7. The value of the first control coefficient is leverage (Le) worth 0.30. A positive value indicates that Le has a unidirectional relationship with NPP. This shows that an esclate in the value of leverage (Le) can esclate the value of the company by 0.030 for one unit. The p-value obtained is equal to 0.00 < 0.05. That is, leverage (Le) is able to positively and importantly affect the value of the company.

8. The value of the second control coefficient is liquidity (Li) worth 0.00. A negative value indicates that Li has the opposite relationship to NPP. This shows that an esclate in the value of liquidity (Li) can reduce the value of the company by 0.00 for one unit. The p-value

obtained is equal to 0.62 > 0.05. That is, liquidity (Li) is not able to positively affect the value of the company and significant.

9. The value of the third control coefficient is size (S) worth 0.00. A positive value indicates that S has a unidirectional relationship with NPP. This shows that an esclate in the value of size (S) can esclate the value of the company by 0.00 for one unit. The p-value obtained is equal to 0.85 > 0.05. That is, size (S) is not able to positively and importantly affect the value of the company.

Sensitivity Test

Sensitivity test was conducted to test the implication of independent variables, moderation variables, and the interaction of the moderation variable with the independent variable to the dependent variable. Sensitivity test was conducted after removing outliers data on each variable that interfere with the final discovery of the study. The following are the final discovery of sensitivity tests on brake models.

Table 5. Sensitivity Test

Variable	Predictions	Coefficient	P.Value	Statistic Collinearity	
				Tolerance	VIF
C		-2.588628	0.3001	-	-
Digital Banking (DB)	+	3.053779	0.0000***	0.630	1.587
DB*AI	+	0.140908	0.0000***	0.010	95.931
DB*P	+	0.888982	0.5875	0.024	41.919
Asymtetry Information (AI)	-	-0.018041	0.1041	0.496	2.015
Prudence (P)	+	6.280031	0.0012***	0.008	127.948
Leverage (Le)	+	0.060079	0.0000***	0.871	1.148
Likuiditas ((Li)	-	-0.000199	0.9904	0.964	1.038
Size (S)	+	0.035152	0.7242	0.716	1.396
Durbin-Watson stat	2.190674				
R-Squared	0,169245				
Prob (F-statistic)	0,000062 ***				
Total Observation	184				

Source: Processed Data

The output shows the value of R square of 0.169 or 16.9%. This shows that the variables of information asymmetry (AI), prudance (P), Digital banking (Db), Digital banking moderation with information asymmetry (DB*Ai) and digital banking moderation interaction with prudence (DB*P) and leverage (Le), liquidity (Li), size (S), affect the value of banking companies (NPP) by 16.9%. On the other hand, the remaining 83.1% were implicated by other variables that were not studied. The p-value in the F test is equal to 0.00 <

0.05. This shows that the use of the research model has been fit and that the independent variable can affect the dependent variable simultaneously. Given that the final discovery of the output is also obtained, the following equation:

NPP = 2,58 + 3,05DB – 0,01AI + 6,28P + 0,14DB*AI
+ 0,88DB*P + 0,06Le – 0,00Li + 0,035 …….(12)

The interpretation of each variable is as follows:

1. The value of constant (C) 2.58 indicates that if all moderation variables, independent variables and control variables are constant or equal to zero, then the company (Y) value will be worth a constant of 2.58.

2. The value of the coefficient of moderation, namely digital banking (DB), is worth 3.05. A positive value indicates that DB has the opposite relationship to NPP. This shows that the increase in the value of digital banking (DB) can increase the value of banking companies (NPP) by 3.05 for one unit. The p-value obtained is equal to 0.00 < 0.05. This means that digital banking (M) can positively and significantly affect the value of the company

3. Information asymmetry coefficient (AI) value of -0.01. A negative value indicates that X1 has an opposite relationship to Y. This shows that an increase in information asymmetry (AI) value can reduce the company's value by 0.01 for one unit. The p-value obtained is equal to 0.16 > 0.05. That is, information asymmetry (X1) cannot negatively and significantly affect the company's value; instead, it has a favourable implication.

4. Prudence coefficient (P) value of 6.28. A positive value indicates that P has a unidirectional relationship with NPP. This shows that an increase in the value of prudence (P) can increase the company's value by 6.28 for one unit. The p-value obtained is equal to 0.00 < 0.05. Prudence (P) can positively and significantly affect the company's value.

5. The digital banking moderation coefficient value with information asymmetry (DB*AI) is 0.14. A positive value indicates that DB * AI has a unidirectional relationship with NPP. This shows that the increase in M banking digitalization moderation with information asymmetry (DB*AI) can increase the company's value by 0.14 for one unit. The p-value obtained is equal to 0.00 < 0.05. This means that the interaction of digital banking with information asymmetry (DB*Ai) can positively and significantly affect the company's value.

6. The M banking digitalization interaction coefficient value with prudence (DB*P) is 0.88. A negative value indicates that DB*P has the opposite relationship to NPP. This shows that the escalation in the value of digital banking moderation with prudence (X2M) can reduce the company's value by 0.88 for one unit. The p-value obtained is equal to 0.58 > 0.05. This means that the interaction of digitization of m banking with prudence (DB*P) is not able to positively and significantly affect the value of the company

7. The value of the first control coefficient is leverage (Le), worth 0.06. A positive value indicates that Le has a unidirectional relationship with Y. This shows that an escalation in the value of leverage (Le) can escalate the company's value by 0.030 for one unit. The p-value obtained is equal to 0.00 < 0.05. That is, leverage (Le) can positively and significantly affect the company's value.

8. The second control coefficient's value is liquidity (Li) worth 0.00. A negative value indicates that Li has the opposite relationship to NPP. This shows that an escalation in the value of liquidity (Li) can reduce the company's value by 0.00 for one unit. The p-value obtained is equal to 0.99 > 0.05. That is, liquidity (Li) is not able to positively and importantly affect the company's value (NPP).

9. The value of the third control coefficient is the size (S), worth 0.03. A positive value indicates that K3 has a unidirectional relationship with NPP. This shows that an increase escalation in the size (S)value can escalate the company (NPP) value company's (NPP) value by 0.03 for one unit. The p-value obtained is equal to 0.72 > 0.05. That is, size (S) is not able to positively and significantly affect the value of the company.

Discussion

Asymmetry Information has a Positive Implication on the Value of Banking Companies

From Table 4, the hypothesis test obtained a coefficient of information asymmetry of -0.02, which shows the opposite relationship with the dependent variable worth of the banking sector. This shows that an increase in information asymmetry can reduce the worth of a business by 0.02 for one unit. The p-value was obtained at 0.015>0.005, where asymmetric information negatively and significantly affected the value of the company per bank and the initial hypothesis.

The final discovery of this investigation is precisely by the research of Wahyudi et al. (2022), which explains that information asymmetry has a favourable implication on rising stock prices and leads to an escalation in the worth of the banking sector. This is because information asymmetry is only sometimes oportunic. Information asymmetry is used for profit management by banking companies, which makes the banking sector worth

applying accounting standards. This banking information asymmetry is positive, where bank managers are superior in information control compared to other parties, both stakeholders and shareholders. From this information, they will play a positive role in mutual benefit, and the use of information for good will make the favourable implication of this information asymmetry on the worth of the banking sector.

Asymmetric information between management and the owner will allow Bank managers to behave and act positively instead. Here, the behaviour of adverse selection and the moral hazard of information asymmetry can be reduced. Grand technology diffusion theory strongly supports the final discovery of this research because the bank management accelerates to immediately use digital banking in every action of its decisions, both internally and externally, will always have an implication on increasing the value of the company and is responsible for investors as external parties, while signalling theory supports this variable where the existence of information asymmetry of banks externally made by banking companies in the form of escalated digital banking makes a positive signal for investors to invest in the bank and Prevention of negative information asymmetry that tends to be opportunistic than management.

Prudence Accounting Positively Affects the Value of Banking Companies

From Table 4 of the hypothesis test, the coefficient of Prudence accounting was valued at 10.72; this means it shows a unidirectional relationship with the worth of the banking sector. This shows that the increase in Prudence's value can increase the company's value by 10.72 for one unit. The P-value obtained at 0.00 <0.05 indicates that prudence accounting can implication the worth of the banking sector positively and significantly.

Grand and Middle Theories support this research because prudent accounting will make recognising the burden of digital banking a higher priority and more attention so that the company's value will escalate. Investors will see a positive signal regarding the recognition of expenses and revenues regarding digital banking applied by the Bank for the escalation in the company's value.

The final discovery of this investigation is in line with findings from the investigation by Nofianti (2023) Roshalianti (2018), which explains that Prudence accounting has a favourable implication on the worth of the banking sector. Prudence accounting here makes banking companies always be careful in recognizing income and expenses to improve the health of the Bank, which will lead to an increase in the worth of the banking sector. So that the final discovery of this investigation is in line with the final discovery of previous research and the existing grand and middle theory.

Digital Banking Reinforces the Positive Implication of Information Asymmetry on the Value of Banking Enterprises

From the Table 4 hypothesis test, the coefficient of digital banking interaction to information asymmetry obtained is 0.21, which means that it shows a unidirectional relationship with the worth of the banking sector. This shows that the escalation in digital banking interaction with information asymmetry can increase the company's value by 0.21 for one unit. The P-value of 0.00<0.05 means that digital banking interaction with information asymmetry can positively and significantly affect the worth of the banking sector. The final discovery of this investigation is the research of Wahyudi et al. (2022), which explains that digital banking increases the implication of information asymmetry on the worth of the banking sector.

Grand and middle theories support this research because the technology diffusion theory supports digital banking. When banks decide to take responsibility for stakeholders, they must continue to develop existing technologies to improve the performance and value of the company. Investors will also feel flattered and more willing to invest their shares, so the bank's policy is developing technology and making transactions more accessible. While signalling theory supports this investigation when there is a positive signal to customers about our bank, more and more investors are investing in the bank, legitimacy theory as a supporting theory certainly explains that each bank takes digital banking actions to improve performance. With conventional and Sharia banks continuing to implement digital banking in their operations, they can avoid the many challenges and obstacles of sustainability, such as the implications of global economic and environmental issues.

This is because information asymmetry is only sometimes opportunistic. Where information is used to determine profits for banking companies that make the worth of the banking sector by

accounting standards. Asymmetry of banking information is a positive trait, and a bank manager is superior in controlling the formation compared to other parties, stakeholders, and shareholders. From this information, a positive role they will use for mutual benefit, from the use of information for good, will make a positive implication of this information asymmetry to the worth of the banking sector.

Asymmetry of information between management and owners will instead allow Bank managers to behave and act positively. Here, the behaviour of adverse selection and the moral hazard of information asymmetry can be reduced. So that the final discovery of this investigation is in line with the final discovery of previous research and the existing grand and middle theory.

Digital Banking Weakens Prudence Accounting's Positive Implication on the Value of Banking Companies

From Table 4 of the hypothesis test, the coefficient of interaction between digital banking and prudence accounting obtained a negative value of 0.503, indicating that digital banking moderation against prudence accounting has the opposite relationship to the worth of the banking sector. This shows that the increase in digital banking interaction with prudence accounting can reduce the company's value by 0.53 for one unit. The P-value obtained is 0.85>0.05, meaning that digital banking moderation cannot strengthen its positive implication on the worth of the banking sector.

The final discovery of this investigation is in line with Moridu (2020), which explains that digital banking does not have a significant implication on strengthening the implication of prudence accounting on the worth of the banking sector. Not all bank companies report research and development expenses in the form of escalated digital banking in the sustainability report. All information is mainly obtained through news or company websites, so investors sometimes need to learn about the development of digital banking.

Grand Theory and Middle Theory support this research because the diffusion theory of technology supports digital banking. After all, when banks decide to take responsibility for stakeholders, they must continue to develop existing technologies to improve company performance and value. Investors will also feel flattered and more invested in the Bank's technology development policies, making it easier for them to transact. While signalling theory supports this investigation when

there is a positive signal to customers about our Bank, more and more investors are investing in the Bank; legitimacy theory as a supporting theory certainly explains that each Bank takes digital banking actions to improve performance. With conventional and Sharia banks continuing to implement digital banking in their operations, they can avoid many challenges and obstacles to sustainability due to existing global economic and environmental issues.

Due to the need for more regular reporting on the development of digital banking, which is only sourced from news or websites, the worth of the banking sector cannot have a positive and significant implication. This investigation's final discovery is in line with previous research and grand and middle theories.

CONCLUSION

The final discovery of this investigation indicates a positive and significant implication between information asymmetry and prudence accounting on the value of banking enterprises. The digital banking moderation variable strengthened the implication of positive information asymmetry in digital banking. However, it could not strengthen the favourable implication of prudence accounting on the worth of the banking sector. This investigation also adds new measurements in the digital banking index that can be adjusted in the present era, where technology continues to develop.

The final discovery of this investigation has theoretical, practical, and regulatory implications. Theoretically, this investigation can contribute to new measurements in measuring the digital banking index, practical implications for stimulating and inviting bank management who have not implemented digital banking to immediately implement it while those who have been able to develop it so that the worth of banking sector can continue to escalate in the current era. Moreover, regulatory implications for the financial services authority and Bank Indonesia and other regulators to continue to make and upgrade the development of digital banking regulations to improve banks' performance throughout Indonesia. The limitation of this investigation lies in the fact that not all bank data can be processed due to the existence of outlier data that many have discarded. Subjectivity is also possible when researching the digital banking index. Where do banks meet indicators when implementing digital banking? This research suggests that further

research can be carried out abroad to compare with the development of digital banking in Indonesia to contribute more, and further research should also examine aspects of digital banking governance as a mediating variable of the implication of digital banking on the banking sector.

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