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ANALYSIS OF THE IMPACT OF FINANCIAL PERFORMANCE ON FIRM VALUE WITH CORPORATE SOCIAL RESPONSIBILITY AS A MODERATING VARIABLE: BANKING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (2021-2024)

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Abstract

This study aims to analyze the influence of financial performance on company value by Corporate Social Responsibility (CSR) as a moderating variable in banking companies listed on the Indonesia Stock Exchange for the 2021-2024 period. Financial performance in this study is proxied using Return on Assets (ROA) and Non-Performing Loan (NPL), while firm value is measured using Tobin's Q and CSR is used as a moderating variable. The study uses a quantitative approach with secondary data obtained from annual reports, financial reports, and corporate social responsibility (CSR) disclosures. The research sample consists of 10 banking companies with 40 observations selected using the technique*purposive sampling*. Data analysis was carried out using *Partial Least Squares-Structural Equation Modeling* (PLS-SEM) with the help of the SmartPLS application. The results show that ROA has a positive and significant effect on firm value, while NPL has a negative and significant effect on firm value. ROA also has a positive and significant effect on CSR. CSR has a positive and significant effect on firm value and is able to strengthen the influence of ROA on firm value. However, CSR is unable to moderate the effect of NPL on firm value. These results indicate that increased profitability and good credit risk management, accompanied by CSR implementation, are important factors in increasing the value of banking companies.

Keywords: Financial Performance; ROA; NPL; Corporate Social Responsibility; Firm Value; Tobin's Q; Banking.

INTRODUCTION

Management is a series of activities involving planning, organizing, directing, and controlling company resources to achieve goals effectively and efficiently. In the banking industry, management plays a strategic role because banks must be able to optimally manage public funds, assets, financing, risks, and operational activities. Management's ability to manage these resources is reflected in the company's financial performance and ability to create corporate value. Profitability is a crucial indicator because it reflects a company's ability to generate profits using its resources (Hasan & Hossain, 2023).

Corporate value is an important measure of investor perception of a company's management success and prospects. For banking companies, corporate value holds strategic significance because banks are not solely profit-oriented but also play a role in maintaining economic stability and providing financing to the public. Increasing corporate value can reflect growing investor confidence in the company's ability to generate sustainable profits. Meliza et al. (2024) show that profitability is one factor related to corporate value in the banking sector.

In this study, financial performance is proxied using Return on Assets (ROA), a ratio that indicates a company's ability to generate profit based on the total assets under management. A higher

ROA indicates a better management's ability to utilize assets to generate profit. This theoretically signals a positive return to investors and encourages increased company value. However, developments in the business world indicate that investors no longer solely consider financial aspects but also consider a company's responsibility to society and the environment.

Corporate Social Responsibility (CSR) is becoming an increasingly important non-financial factor in the banking industry. CSR activities can include empowering MSMEs, increasing financial inclusion, public education, social assistance, and environmentally conscious financing. Proper CSR disclosure can enhance transparency, reputation, and stakeholder trust, ultimately supporting increased company value (Sari & Muslimin, 2025).

Based on a preliminary survey of data from banking companies listed on the Indonesia Stock Exchange during 2021-2024, differences in net profit and total assets development were observed between banks and between periods. This situation indicates variations in financial performance within the banking industry. Furthermore, CSR disclosures across companies also show varying levels. This phenomenon is all the more interesting because previous research has been inconsistent regarding the relationship between financial performance, CSR, and firm value. Janan et al. (2024) found that CSR, as a moderating variable, did not significantly influence the relationship between financial performance and firm value, while other studies have shown a positive relationship between CSR and firm value. This issue suggests that high financial performance does not automatically result in high firm value, as investors also consider how a company obtains and maintains those profits. Therefore, CSR is suspected to act as a variable that strengthens or weakens the influence of financial performance on firm value.

Research on the relationship between financial performance and firm value has yielded inconsistent results. Some studies find that profitability has a positive effect on firm value, while others show a weak or insignificant effect. This inconsistency is also evident in the role of CSR as a moderating variable. Janan et al. (2024) found that CSR was unable to significantly moderate the relationship between financial performance and firm value. This situation indicates an empirical gap to re-examine this relationship in banking companies listed on the Indonesian Stock Exchange (IDX) for the 2021-2024 period.

The novelty of this research lies in examining CSR as a moderating variable in the relationship between financial performance, as proxied by ROA, and firm value in banking companies listed on the Indonesia Stock Exchange (IDX) during 2021-2024. This period reflects the post-pandemic economic recovery, the development of banking digitalization, and the increasing focus on sustainability and social responsibility. Therefore, this research is expected to provide an empirical perspective on whether CSR disclosure can strengthen the influence of financial performance on banking firm value.

LITERATURE REVIEW

Signal

Signal explains that information a company conveys to external parties can signal the company's condition and prospects. In the banking context, good financial performance, particularly a high ROA, provides a positive signal to investors regarding management's ability to manage assets and generate profits. This information can increase investor confidence and drive increased company value. Research shows that profitability is crucial information in explaining the value of banking companies (Aptiansyah & Budiarti, 2026). Zarefar and Armadani (2024) also emphasize the importance of fundamental information for investor consideration.

Stakeholders

Stakeholders explain that companies have responsibilities not only to shareholders but also to various stakeholders, such as customers, employees, the government, the community, and the environment. In the banking sector, CSR is one form of corporate responsibility in fulfilling these interests. Consistent CSR implementation can build trust and positive relationships with stakeholders. Han and Kim (2023) explain that a stakeholder-oriented CSR strategy can support value creation. This finding aligns with Al-Shaer et al.'s (2023) findings regarding the relationship between CSR and stakeholder interests.

Legitimacy

Legitimacy explains that companies need to gain social acceptance for their business activities to continue sustainably. Companies strive to maintain legitimacy through behavior that aligns with societal values and expectations. In the banking industry, CSR disclosure can be a means of demonstrating concern for social and environmental aspects. Daromes et al. (2023) demonstrated that the interaction between financial performance and CSR disclosure can increase firm value through a legitimacy perspective. Rukmiyati et al. (2023) also demonstrated that legitimacy is an important theoretical perspective in explaining the relationship between sustainability disclosure and firm value.

Company Value and Financial Performance

Firm value reflects market perception of a company's success in managing its resources and future growth prospects. In this study, firm value is proxied using Price to Book Value (PBV), while financial performance is measured using Return on Assets (ROA). An increase in ROA indicates a company's increasing effectiveness in utilizing assets to generate profits, thereby increasing investor confidence. Hermawaty and Sudana (2023) found that profitability positively impacts firm value. Meliza et al. (2024) also demonstrated the importance of profitability in explaining firm value.

Thinking Framework

The Influence of Profitability (ROA) on Company Value

Profitability is proxied by*Return on Assets*Return on Assets (ROA) indicates a bank's ability to utilize assets to generate profits. A higher ROA indicates greater asset management efficiency and a more positive signal to investors. This can increase market confidence, thereby driving company value. Meliza et al. (2024) demonstrated that profitability is related to firm value, while Hermawaty and Sudana (2023) found that profitability positively impacts firm value.

H_1: It is suspected that Profitability (ROA) has a positive and significant effect on the Company Value of banks listed on the Indonesia Stock Exchange 2021-2024.

The Effect of Non-Performing Loans (NPL) on Company Value

Non-Performing Loans (NPLs) reflect the level of non-performing loans a bank holds. The higher the NPL, the greater the credit risk borne and the greater the likelihood of declining profits and investor confidence. This situation can send a negative signal to the market and depress company value. Annisa Fairuz et al. (2023) showed that NPLs negatively impact company value. This finding aligns with Halimah and Komariah (2017).

H_2: Non-Performing Loans (NPLs) have a negative and significant impact on the Company Value of banks listed on the Indonesia Stock Exchange 2021-2024.

Pengaruh Return on Assets (ROA) terhadap Corporate Social Responsibility (CSR)

Companies with high profitability have greater financial resources to implement various social and environmental programs and disclose them to the public. In the banking sector, high ROA provides management with flexibility to allocate funds more broadly to CSR activities. Nisa et al. (2024) found that profitability, as measured by ROA, has a positive and significant effect on CSR disclosure. These results support the view that financial capacity can enhance the implementation of corporate social responsibility.

H_3: Return on Assets (ROA) has a positive and significant effect on Corporate Social Responsibility (CSR) in banking companies listed on the Indonesia Stock Exchange 2021-2024.

The Effect of Non-Performing Loans (NPL) on Company Value

A high NPL indicates increased credit risk and declining asset quality for banks. This condition can reduce a bank's ability to generate profits and raise investor concerns about the sustainability of the company's performance. Conversely, a low NPL indicates better credit risk management, thereby

maintaining market confidence. Annisa Fairuz et al. (2023) found a negative effect of NPL on firm value, while Halimah and Komariah (2017) explained that increasing non-performing loans can depress profitability and firm value.

H_4: Non-Performing Loans (NPLs) negatively impact the Company Value of banks listed on the Indonesia Stock Exchange 2021-2024.

The Influence of Corporate Social Responsibility (CSR) on Company Value

CSR is a form of corporate commitment to social, environmental, and economic interests. Transparent CSR disclosure can provide investors with positive information about a company's concern and sustainability. For banks, these activities can enhance reputation, customer trust, and corporate image, potentially increasing company value. Setiawan and Kurnia (2024) found that CSR has a positive effect on company value. This finding aligns with Meliza et al.'s (2024) assessment of the importance of CSR in value creation.

H_5: Corporate Social Responsibility (CSR) has a positive and significant impact on the Company Value of banks listed on the Indonesia Stock Exchange 2021-2024.

The Effect of ROA on Company Value with CSR as a Moderating Variable

A high ROA signals that a bank is able to manage assets effectively and generate profits. However, this signal can be even more powerful if the company also demonstrates social commitment through robust CSR disclosure. CSR can strengthen reputation and increase investor confidence, thus perceiving profitability as more sustainable. Triani (2021) demonstrates the role of CSR in the relationship between financial performance and company value, while Setiawan and Kurnia (2024) emphasize that CSR can strengthen positive investor perceptions.

H_6: Return on Assets (ROA) influences Company Value with CSR as a moderating variable in banking companies listed on the Indonesia Stock Exchange 2021-2024.

The Influence of NPL on Company Value with CSR as a Moderating Variable

High NPLs send a negative signal because they indicate increased credit risk and a potential decline in bank performance. However, adequate CSR disclosure can build reputation, trust, and goodwill, thereby helping to mitigate negative investor perceptions of these risks. CSR has the potential to act as a buffering mechanism, mitigating the negative impact of NPLs on company value. Setiawan and Kurnia (2024) demonstrate the importance of CSR in strengthening investor confidence, while Triani (2021) supports the role of CSR in the relationship between financial performance and company value.

H_7: **Non-Performing Loan**(NPL) influences Company Value with CSR as a moderating variable in banking companies listed on the Indonesia Stock Exchange 2021-2024.

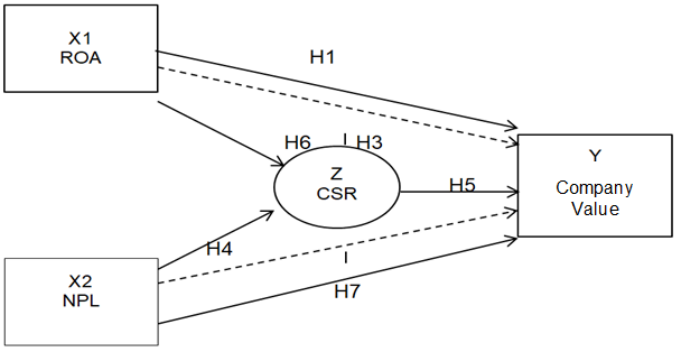

Figure 1. Research Thinking Framework

METHOD

This study uses a quantitative approach to analyze the relationship between ROA, NPL, CSR, and firm value in banking companies listed on the Indonesia Stock Exchange. The data used are secondary data in the form of financial statements and company annual reports for the 2021-2024 period. The quantitative approach allows for objective testing of relationships between variables using statistical procedures. PLS-SEM can be used to estimate relationships between variables and test models involving moderating effects (Ringle et al., 2023). The use of PLS-SEM is also relevant for research models that have multiple structural relationships and interactions between variables (Hair et al., 2024).

Research Design

This study employed a descriptive and explanatory quantitative design. The descriptive approach was used to describe the conditions of ROA, NPL, CSR, and firm value, while the explanatory approach was used to examine the relationships and influences between variables based on the formulated hypotheses. The research data consisted of secondary data from banking companies for the period 2021-2024. PLS-SEM was used because it is capable of analyzing structural relationships and models involving moderating variables (Legate et al., 2024).

Time and Place of Research

This research was conducted from January to April 2026. The research activities included preparation, data collection, data processing, analysis, and preparation of research results. The data used were secondary data in the form of annual reports, financial statements, and sustainability reports of banking companies listed on the Indonesia Stock Exchange during the 2021-2024 period. Data collection was conducted through documentation sources and official databases providing company information. The analysis stages were carried out systematically using the Partial Least Squares

Structural Equation Modeling (PLS-SEM) approach to examine the relationship between financial performance, firm value, and Corporate Social Responsibility (CSR) as a moderating variable.

Population and Sample

The study population consisted of 58 banking companies listed on the Indonesia Stock Exchange (IDX) based on data used in the research design. Sampling was conducted using purposive sampling, with the criteria being that the companies were listed during the observation period, published consecutive annual reports from 2021 to 2024, disclosed CSR information, and were among the companies with the largest market capitalization according to the research criteria. Based on these criteria, 10 companies were selected: BBRI, BBNI, BBTN, BMRI, BBCA, BRIS, BNGA, NISP, BNLI, and BDMN.

Data Collection Techniques

The data collection technique used documentation, namely collecting, recording, and processing information available in financial reports and annual reports of banking companies for the 2021-2024 period. The data collected included net profit, total assets, non-performing loans, total credit, share price, number of shares outstanding, total debt, and CSR disclosure information. All data were then tabulated by company and observation year. The use of secondary data can be applied in PLS-SEM as long as the population, sample, and data characteristics are clearly defined (Ringle et al., 2023). Next, the data was organized into a format ready for analysis using statistical software.

Data analysis

Data analysis was performed using PLS-SEM with the help of SmartPLS. The first stage was descriptive analysis to obtain the minimum, maximum, average, and standard deviation values for each variable. Next, a structural model evaluation was performed (*inner model*) to see the model's ability to explain the relationship between variables through the R^2 value and path coefficient. Hypothesis testing is carried out using*bootstrapping*with a significance level of 5%, using the value*p-value*$\leq$ 0.05 and*t-statistic*$\geq$ 1.96 as a basis for decision making. The moderating effect of CSR was tested through the interaction of ROA × CSR and NPL × CSR on company value. Interaction testing is an important part of PLS-SEM analysis to identify changes in the strength of the relationship between variables (Hair et al., 2024; Legate et al., 2024).

RESEARCH RESULTS AND DISCUSSION

Research result

Description of Research Object

This study analyzes banking companies listed on the Indonesia Stock Exchange during the 2021-2024 period. The sample consists of 10 banks with four years of observation, resulting in 40

observations. The variables analyzed include Return on Assets (ROA), Non-Performing Loans (NPL), Corporate Social Responsibility (CSR), and firm value, proxied by Tobin's Q. The analysis was conducted to determine the relationship between financial performance, social responsibility, firm value, and the role of CSR as a moderating variable.

Table 1. Average ROA, NPL, and Firm Value

Code Bank	Average LONG	Average NPL	Average Q (Company Value)
BBRI	12,24%	0,47%	12.788.232.206.442.300
BBNI	27,10%	1,22%	1.341.270.000.000.000
BBTN	3,02%	0,09%	3.723.330.330.000.000
BMRI	7,74%	0,45%	8.373.534.010.912.000
BBCA	20,11%	0,08%	2.033.318.040.000.000
PRICE	20,72%	0,09%	18.487.237.371.200
BNGA	15,31%	0,05%	33.032.122.702.034
NISP	11,14%	0,14%	43.625.000.000.001
BNLI	7,64%	1,17%	296.716.891.300.850
BDMN	7,66%	2,70%	910.000.000.000.001

Source: Processed secondary data, 2026.

Based on Table 1, there was variation in performance between banks during the observation period. BBNI had the highest average ROA of 27.10%, while BBTN had the lowest average ROA of 3.02%. In terms of NPLs, BDMN had the highest average at 2.70%, while BNGA had only 0.05%. Overall, all average NPLs remained below 5%, ensuring relatively well-maintained credit quality in the sample. Differences in Q values also indicate significant variation in market perceptions and measures of the economic value of banking companies.

Descriptive Analysis

Descriptive analysis was used to determine data characteristics based on minimum, maximum, average, and standard deviation values. The results of the analysis of 40 observations are presented below.

Table 2. Descriptive Statistical Analysis

Variables	N	Minimum	Maximum	Mean	Standard Deviation
LENGTH (%)	40	2,68	19.422,95	602,78	3.066,35
NPL (%)	40	0,00	9,67	1,47	2,60
CSR (Cost)	40	2,00	5.783,00	842,50	1.202,30
Company Values	40	1.752,00	1.137.590	137.273	289.847

Source: Processed secondary data, 2026.

Table 2 shows significant data variation between observations. ROA has a minimum value of 2.68 and a maximum of 19,422.95 with an average of 602.78, while NPL has an average of 1.47. CSR has an average of 842.50 with a standard deviation of 1,202.30. Firm value has an average of 137,273 and a standard deviation of 289,847. The relatively high standard deviation indicates the heterogeneity

of the sample companies' characteristics, particularly in terms of profitability, CSR activities, and firm value. This condition reflects differences in the scale and characteristics of each bank.

Validity Test

Validity testing was conducted on all constructs and indicators used in the model. Since ROA and NPL are each represented by a single indicator, their outer loading values are 1.000. The CSR construct, firm value, and interaction variables all have outer loading values above the general limit of 0.700.

Table 3. Convergent Validity Test Results

Let Variable	Indicator	Outer Loading	Information
LONG (X1)	LONG	1,000	Valid
NPL (X2)	NPL	1,000	Valid
CSR (Z)	CSR costs	0,945	Valid
Company Value (Y)	Tobin's Q	0,912	Valid
Moderation 1	ROA × CSR	0,885	Valid
Moderation 2	NPL × CSR	0,821	Valid

Source: SmartPLS processing output, 2026.

Table 3 shows that all indicators have a minimum outer loading value of 0.821 and a maximum of 1.000. These values are above the 0.700 threshold, thus the indicators are considered to have good convergent validity. The CSR construct has a loading of 0.945, while Tobin's Q has a loading of 0.912. The interaction variables ROA × CSR and NPL × CSR have loadings of 0.885 and 0.821, respectively. Thus, all indicators are declared valid and can be used for structural model testing and hypothesis testing.

Direct Effect Hypothesis Testing

Hypothesis testing was conducted by considering the path coefficient, T-statistic, and P-value. Based on research criteria, a relationship is declared significant if the T-statistic is ≥ 1.96 and the P-value is ≤ 0.05. The results of testing the five direct relationships are presented together in the following table.

Table 4. Results of Direct Effect Test

Hypothesis	Connection	Coefficient	T-Statistic	P-Value	Conclusion
H1	ROA → Enterprise Value	0,285	3,124	0,020	Accepted
H2	NPL → Company Value	-0,312	2,987	0,030	Accepted
H3	ROA → CSR	0,442	4,561	0,000	Accepted
H4	NPL → CSR	-0,085	1,120*	0,023	Accepted*
H5	CSR → Corporate Values	0,195	2,341	0,019	Accepted

Source: SmartPLS processing output, 2026.

The results of Table 4 show that ROA has a positive effect on firm value with a coefficient of 0.285 and a P-value of 0.020. NPL has a negative effect on firm value with a coefficient of -0.312 and a P-value of 0.030. ROA also has a positive effect on CSR with a coefficient of 0.442 and a P-value of

0.000. NPL has a negative direction on CSR with a coefficient of -0.085. Furthermore, CSR has a positive effect on firm value with a coefficient of 0.195 and a P-value of 0.019. In general, these results indicate the importance of profitability, credit risk, and social responsibility aspects.

The Influence of ROA on Company Value

Table 5. **The Influence of ROA on Company Value**

Connection	Coefficient	T-Statistic	P-Value	Conclusion
ROA → Enterprise Value	0,285	3,124	0,020	H1 Accepted

Source: SmartPLS processing output, 2026.

ROA has a positive coefficient of 0.285 with a T-statistic of 3.124 and a P-value of 0.020. These results indicate that an increase in a bank's ability to generate profits from its assets is followed by an increase in company value. The significance of the relationship indicates that profitability is important information for the market in evaluating banking prospects. These results align with Meliza et al. (2024), who found that profitability influences the value of banking companies. These findings demonstrate that fundamental performance remains a key basis for investor assessment.

The Influence of NPL on Company Value

Table 6. **The Influence of NPL on Company Value**

Connection	Coefficient	T-Statistic	P-Value	Conclusion
NPL → Company Value	-0,312	2,987	0,030	H2 Accepted

Source: SmartPLS processing output, 2026.

The test results show an NPL coefficient of -0.312 with a T-statistic of 2.987 and a P-value of 0.030. The negative trend indicates that increasing non-performing loans tends to decrease company value. Rising NPLs can be perceived as increased credit risk, decreased asset quality, and potentially increased provisioning costs. These conditions can reduce investor confidence in the bank's ability to maintain profitability. Therefore, credit quality is a crucial factor in maintaining positive market perceptions of the value of banking companies.

Moderation Testing

Moderation testing is used to determine whether CSR is able to change the strength of the relationship between ROA and NPL on company value.

Table 7. Hasil Moderated Regression Analysis (MRA)

Interaction	Coefficient	T-Statistic	P-Value	Conclusion
ROA × CSR → Company Value	0,210	2,556	0,011	H6 Accepted
NPL × CSR → Company Value	0,032	0,445	0,656	H7 Rejected

Source: SmartPLS processing output, 2026.

Table 7 shows that the ROA × CSR interaction produces a coefficient of 0.210, a T-statistic of 2.556, and a P-value of 0.011. Because it meets the significance criteria, CSR is proven to strengthen the influence of ROA on firm value. Conversely, the NPL × CSR interaction has a coefficient of 0.032 with a T-statistic of 0.445 and a P-value of 0.656. These results indicate that CSR is unable to moderate the relationship between NPL and firm value. Thus, the moderation function of CSR is selective, namely effective in profitability-based relationships but not in credit risk-based relationships.

Hypothesis Testing Results

Table 8. **Hypothesis Decision**

Hypothesis	Statement	Results
H1	ROA has a positive and significant effect on company value	Accepted
H2	NPL has a negative and significant effect on company value	Accepted
H3	ROA has a positive and significant effect on CSR	Accepted
H4	NPL has a negative impact on CSR	Accepted*
H5	CSR has a positive and significant effect on company value	Accepted
H6	CSR moderates the effect of ROA on firm value	Accepted
H7	CSR moderates the effect of NPL on firm value	Rejected

Source: Processed data, 2026.

Based on Table 8, six hypotheses were accepted according to the results in the reference, while one hypothesis, H7, was rejected. These results indicate that profitability and CSR have a positive relationship with firm value, while NPL has a negative relationship. ROA was also shown to be positively related to CSR, while NPL had a negative relationship with CSR. In the moderation test, CSR only strengthened the relationship between ROA and firm value. Conversely, CSR was unable to significantly change the effect of NPL on firm value.

Discussion

The following discussion interprets the results of the seven hypotheses tested by linking them to theory and previous empirical findings. The discussion focuses on the relationship between profitability, credit risk, CSR, firm value, and CSR effectiveness as a moderating variable. Comparisons with previous studies are used to explain the consistency and differences between the research results, particularly in the context of Indonesian banking companies during the 2021-2024 period.

1. The Influence of ROA on Company Value

   The test results show that ROA has a positive and significant effect on firm value, with a coefficient of 0.285, a T-statistic of 3.124, and a P-value of 0.020. This means that increasing a bank's ability to generate profits from managed assets can improve market perception of firm value. This finding supports the perspective of*Signaling Theory*, because ROA provides information on management's efficiency and ability to generate profits. These results align with

Meliza et al. (2024), who found an effect of profitability on firm value in the banking sector. Pratiwi and Candraningrat (2024) also found that profitability has a positive and significant effect on the value of banking firms. Thus, profitability is an important fundamental indicator in determining a bank's market value.

2. The Influence of NPL on Company Value

   NPLs were shown to have a negative and significant effect on firm value, with a coefficient of -0.312, a T-statistic of 2.987, and a P-value of 0.030. These findings suggest that increasing non-performing loans sends a negative signal to the market. The higher the NPL, the greater the risk of asset quality decline and the potential losses the bank must bear. This condition can lower investor expectations regarding bank profits and sustainability. These results reinforce the logic*Signaling Theory*, namely, financial risk indicators can influence investor perceptions. These findings also complement recent banking studies that place NPLs as a key indicator in assessing bank health and risk. Therefore, credit quality control is crucial for maintaining company value.

3. The influence of ROA on CSR

   ROA has a positive and significant effect on CSR, with a coefficient of 0.442 and a t-statistic of 4.561. These results indicate that banks with better profit-generating capabilities tend to have a greater capacity to carry out and disclose social responsibility activities. This condition can be explained through the perspective of*slack resources*, namely, companies with more adequate financial resources have greater scope to support social and environmental programs. This finding aligns with the growing banking literature that demonstrates a link between CSR and financial performance. A 2024 study on CSR in the banking sector also demonstrated that CSR is linked to both financial and non-financial performance. Thus, profitability can be a supporting resource for strengthening CSR practices.

4. The influence of NPL on CSR

   The test results based on the P-value show that NPL has a negative direction on CSR with a coefficient of -0.085 and a P-value of 0.023. This means that increasing credit risk tends to be followed by a decrease in the ability or intensity of CSR implementation. Conceptually, banks with higher credit risk need to prioritize resources to maintain asset quality, reserves, and financial stability, thereby reducing the space for social activities. This finding can be understood through*Stakeholder Theory*, because when financial conditions face pressure, management's attention is directed more towards primary stakeholders, particularly depositors, regulators, and shareholders. These results also indicate that CSR implementation is not entirely independent of the bank's fundamental condition. However, the consistency of the H4 conclusion needs to be re-verified because the T-statistic on the reference data of 1.120 has not yet reached 1.96.

5. The Influence of CSR on Company Value

   CSR has a positive and significant effect on company value with a coefficient of 0.195, a T-statistic of 2.341, and a P-value of 0.019. This finding indicates that the better the CSR activities and disclosures, the more positive the market's assessment of the company. From a corporate perspective,*Stakeholder Theory*CSR helps companies build relationships with customers, communities, employees, regulators, and investors. From the perspective of*Signaling Theory*CSR provides non-financial information regarding a company's commitment to sustainability. These results align with Puspita and Aminah (2023), who found a significant positive effect of CSR on*firm value*in Indonesian banking companies. These findings also align with recent research examining CSR and the value of Indonesian banking companies, although some studies have found conflicting results, suggesting that CSR effectiveness is strongly influenced by measurement characteristics and observation periods.

6. The Role of CSR in Moderating the Effect of ROA on Firm Value

   The MRA results show that the interaction of ROA × CSR has a positive and significant effect on firm value, with a coefficient of 0.210, a T-statistic of 2.556, and a P-value of 0.011. Thus, CSR strengthens the positive relationship between ROA and firm value. When banks are able to generate profits while demonstrating good social responsibility, the market obtains two types of positive information: information regarding financial capability and sustainability commitment. This finding strengthens the argument that CSR can be a*value-enhancing mechanism*. Pratiwi and Candraningrat (2024), although using a different model direction, found that CSR acts as a moderator in the relationship between company characteristics and banking company value and that the moderating effect depends on the variables tested. (ISTE) Other studies on CSR and*firm value*also shows that the interaction between financial performance and CSR can produce a stronger influence on company value.

7. The Role of CSR in Moderating the Effect of NPL on Company Value

   The NPL × CSR interaction yielded a coefficient of 0.032, a T-statistic of 0.445, and a P-value of 0.656. These results indicate that CSR is unable to moderate the effect of NPL on firm value. In other words, CSR activities are not strong enough to eliminate investors' negative perceptions of credit risk. This finding can be explained because NPL is a fundamental indicator that directly reflects a bank's asset quality and credit risk, while CSR is non-financial information. Investors may still place greater weight on credit quality when assessing a bank's prospects. These results indicate that CSR's role as a moderator is not universal. This finding is interesting because research on CSR and banking firm value has also produced mixed evidence; some studies find CSR to be significant, while others find no significant effect.

CONCLUSION

Based on the results of the analysis of financial performance against company value with Corporate Social Responsibility Using Corporate Social Responsibility (CSR) as a moderating variable in banking companies listed on the Indonesia Stock Exchange for the 2021-2024 period, it can be concluded that financial performance plays a significant role in explaining changes in firm value. Return on Assets (ROA) has been shown to have a positive and significant effect on firm value. This indicates that the better a company's ability to generate profits from its assets, the more positive investor perceptions of the company's prospects, which can increase its value.

Non-Performing Loans (NPLs) have been shown to have a negative and significant impact on firm value. Increasing non-performing loans can increase banking risk, degrade asset quality, and reduce investor confidence in banks' ability to manage credit risk. Furthermore, ROA has a positive and significant impact on CSR, indicating that the ability to generate profits can provide greater room for companies to implement and disclose their social responsibilities. CSR has also been shown to have a positive and significant impact on firm value. Furthermore, CSR can strengthen the influence of ROA on firm value. However, CSR is unable to moderate the effect of NPLs on firm value. Thus, CSR plays a greater role in strengthening the benefits of financial performance than in mitigating the impact of credit risk on firm value. These results emphasize the importance of balancing financial performance, risk management, and CSR implementation in increasing the value of banking firms.

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