

## ABSTRACT

*Changes in behaviors and increased competition in the financial services industry have encouraged banks to improve their services to their customers. The government issued a Peraturan Otoritas Jasa Keuangan (POJK) No.12/POJK.03/2018 on the Implementation of Digital Banking Services by Commercial Banks as a guideline for banking companies in the use of technological developments in banking service innovations to be able to support banks in the implementation of Digital Banking Services and encourage banking growth.*

*The purpose of this research is to determine the differences in the firm value of the banking companies following the promulgation of POJK No.12 /POJK.03/2018. The analysis was conducted by examining whether there were differences in the firm value of the banking companies before and after the policy was implemented. The firm value is measured using the proxy Price Book Value (PBV), Price Earning Ratio (PER), and Tobin's Q.*

*This research uses secondary data from the 2017 financial report (the period before digitalization) and the 2019 financial report (the period after digitalization). The sampling method used was purposive sampling and there were 40 banking companies listed on the Indonesia Stock Exchange (BEI) according to the criteria for determining the research sample.*

*The results show that there is no significant difference in the firm value of the banking companies through the PBV, PER, and Tobin's proxies before and after the digitalization period.*

*Keywords: Digitalization, Firm Value, Price Book Value (PBV), Price Earning Ratio (PER), Tobin's Q*