The Effect of Green Banking and Corporate Governance Mechanism on Firm Value: What Changed During the COVID-19 Pandemic?

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Abstract: This study aims to investigate the effect of green banking and corporate governance on firm value before and during the COVID-19 pandemic. This paper uses a sample of 18 banks listed on the Indonesia Stock Exchange during 2018-2021 based on the purposive sampling method. The data type used is secondary data in the form of annual and sustainability reports. The data analysis method uses paired sample t-tests and multiple linear regression. This study provides evidence that green banking did not affect firm value either in the period before the COVID-19 pandemic or during the COVID-19 pandemic. This study also shows that in the period before the COVID-19 pandemic, managerial ownership, independent commissioners, and audit committees partially had a negative effect on firm value. However, changes occurred during the COVID-19 pandemic; this study shows that managerial ownership and independent commissioners have a positive effect on firm value. Meanwhile, the audit committee does not affect firm value.

Keywords: Green banking, Corporate Governance, COVID-19 pandemic, Firm Value.

I. INTRODUCTION

The banking sector has grown on the Indonesia Stock Exchange, or BEI. The banking sector plays a crucial function as an official entity that facilitates the transfer of monies between parties and lends money to other organizations in need, making it an indispensable industry. In addition to being among the most important industries, companies in the banking sector also have a high market capitalization, if we use the Indonesia Stock Exchange as an example. In 2019, the COVID-19 pandemic occurred, which had a significant impact on the Indonesian economy. One of those affected by the COVID-19 pandemic is the banking sector. Based on Nugroho et al. (2020), during the COVID-19 pandemic, banks must mitigate risk early by strengthening liquidation, restructuring, and changing strategic initiatives. Furthermore, the government and all stakeholders must collaborate to overcome the negative effects of the COVID-19 pandemic outbreak to avoid major losses to both the lives of the people and the nation's economy. Share prices of banking sector companies showed a downward trend during the COVID-19 pandemic (Lautania, Dinaroe, and Linda, 2021), as shown in the following figure:

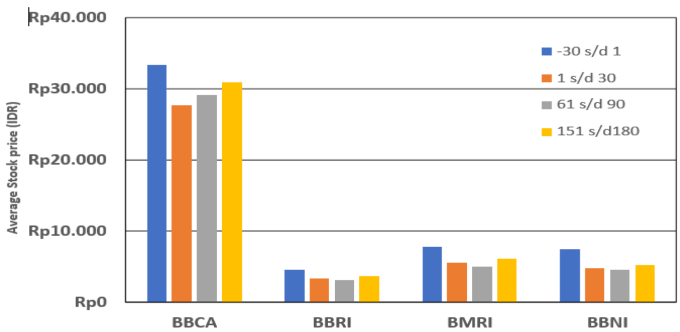

Figure 1. Changes in share prices of the 4 largest banks in Indonesia in 2021

The company may be impacted by both internal and external variables that impact its value. The influence of carbon emissions on environmental harm has become increasingly important to firms across all industrial sectors in the contemporary era, as the earth's temperature rises and gas emissions rise. Concern for the environment, particularly concerning disclosure and initiatives to lower carbon emissions, can improve the company's reputation and worth in the eyes of stakeholders, particularly investors. Investors consider a company's reputation in addition to its financial performance when evaluating it. Investor attention is drawn to companies that voluntarily provide environmental information, according to Qiu et al. (2014). This occurs as a result of the company's current significant influence on environmental sustainability through its operations. Since investors are drawn to organizations that care about the environment, these businesses tend to have a positive reputation, which can increase their value.

Companies are the main causes of environmental damage, air and water pollution, the reduction in the earth's carrying capacity, and other adverse effects because they are commercial organizations. This also includes concerns about environmental harm, such as global warming, so the drive to go green puts pressure on businesses, which is the largest emitter, to focus more on how their products are made to ensure that they are both high-quality and environmentally friendly. Green banking is a word used to describe this greening movement in the financial industry. Through the use of green banking, banks can contribute to the reduction of carbon emissions. According to Schultz (2010), green banking is an initiative to support eco-friendly behaviors and lower carbon emissions from banking-related operations. According to Shaumya and Arulrajah (2016), there are several ways to implement green banking, including employing an online banking platform in place of constructing a branch office, paying bills and sending invoices online rather than to clients directly, offering green mortgages, as well as opening money market accounts and green credit cards online rather than at a branch location. According to Murwaningsari and Rachmawati's (2023) research findings, green banking positively impacts firm value. In contrast to Putri and Zuhroh's (2024) findings, which demonstrate that disclosure of green banking has no impact on firm value.

Implementing excellent governance in a corporation simplifies decision-making, which improves financial performance. The Financial Services Authority Regulation (OJK) Number 17 of 2023 concerning the implementation of governance for commercial banks states that the application of good governance principles in banks is at least realized in the implementation of the duties, responsibilities, and authority of the Board of Directors and Board of Commissioners, the completeness and implementation of committee duties, and the resolution of conflicts. interests, implementation of compliance functions, implementation of internal audit functions, implementation of external audit functions, implementation of risk management, provision of remuneration, provision of funds to related parties, and provision of large funds, the integrity of reporting and information technology systems, Bank strategic plans, shareholder aspects, implementation of anti-fraud strategies, implementation of sustainable finance, and implementation of governance within the bank's business group. Good Corporate Governance usually called GCG can be interpreted as the principle that has always been used as the basis or guideline for good business management and is considered synchronous to this day (Septiawan, 2018). Johnson and Duberstein (2020) found that the pandemic worsened existing vulnerabilities in corporate governance frameworks. The pandemic has had a significant impact on stock market volatility, highlighting the importance of efficient corporate governance in ensuring stock price stability and firm value (Liu et al., 2023).

This study is motivated by the fact that the COVID-19 pandemic and the various effects of climate change harm people's quality of life, making it intriguing to look at how corporate governance and green finance affect firm value. There are inconsistencies with the results of previous research, so this research compares the period before the COVID-19 pandemic and during the COVID-19 pandemic.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Agency Theory

Agency theory is the main theory used in Corporate Governance because this theory relates to the interests of stakeholders in the form of agreements. Agency theory is a problem between agents and principals who have different interests (Solomon, et al, 2021). By emphasizing the significance of controlling conflicts of interest between owners and managers, good decision-making, effective supervision, and accountability and transparency in business interactions, agency theory has important implications for corporate value. Businesses can meet their long-term objectives and boost their value by putting in place the right governance procedures to handle agency disputes. To reduce agency conflicts, Michael and William (2019) suggest expanding insider ownership; Maher and Andersson (2000) emphasize that shareholders should delegate management tasks to maximize returns. In the end, agency theory influences governance dynamics by highlighting the careful balancing act between the interests of owners and managers.

2.2 Legitimacy Theory

This theory explains how a company carries out all its activities but still applies the norms and regulations that apply around it so that this will trigger the company to have a good image when viewed from the perspective of the public or other interested parties. "Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within a some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). Through legitimacy theory, companies must realize that the surrounding environment, and in this case the wider community, is an important aspect that influences the company's income and acquisition of resources now or in the future.

2.3 Firm Value

The public's and investors' view of a corporation is reflected in its firm value. Stock prices and company value are frequently directly correlated. According to Rappaport (1983), stock market participants decide the value of shares based on the company's performance. This is typically reflected in the stock price or total value of the company, which is determined by the dynamics of supply and demand in the stock market, which are shaped by participants in the market. According to Ryan and Buchholtz (2001), one important factor that can have a big impact on a company's value is its financial performance. Investors frequently evaluate a firm value by looking at its financial standing.

2.4 Green Banking

There exist multiple interpretations of what constitutes "green banking," with some arguing that it's just another term for ethical banking, in which banks have to protect the environment (Marzio, 2007). Though green is associated with environmental development, the term "green banking" refers to more than just that. However, community empowerment for a better social life is also included in this concept. The basic principle of green banking is an effort to strengthen bank risk management capabilities, especially those related to the environment, and encourage banks to increase their environmentally friendly financing portfolio, such as renewable energy, energy efficiency, organic agriculture, eco-tourism, and environmentally friendly transportation. The definition of green business management is given by Haden et al. (2009), namely: business activities that use innovation as a tool to achieve sustainability of natural resources, reduce waste of natural resources, increase social prosperity, and give companies a competitive advantage. Companies that use green business management are companies that can expand the company's financial goals, apart from seeking economic profits, increasing social prosperity, and maintaining the sustainability of natural resources.

2.5 Corporate Governance

According to Ramli and Setiany (2021), Indonesia's corporate governance framework has advanced steadily by implementing best practices since the country started reforming corporate governance through the creation of a corporate governance roadmap. The Cadbury Committee claims that to protect stakeholders' interests and avoid conflicts, corporate governance (CG) oversees and regulates businesses to strike a balance between authority and accountability. Wahyudi et al. (2020) states that Good Corporate Governance has a significant effect on company value. CG protects stakeholders from misconduct and guarantees shareholders efficient management by upholding best practices (Peizhi & Ramzan, 2020). This promotes investor confidence.

2.6 Hypothesis Development

2.6.1 Green Banking Before and During COVID-19 Pandemic

The COVID-19 pandemic also has an impact on the environment. During the COVID-19 pandemic, companies will change priorities to suit the current situation, where at that time financial issues are prioritized over environmental issues. Therefore, the state of the company's environment becomes less of a concern. Regulation Number 32 of 2009, which pertains to environmental protection and management, mandates that business operations necessitate environmental preservation due to the consequences of these activities. Likewise, Bank Indonesia Regulation No. 14/15/PBI/2012 concerning Asset Quality Assessment of Commercial Banks also supports Indonesian banks to analyze environmental impacts when evaluating a business they want to finance. On this basis, banks must create workflows that are more environmentally conscious in daily operational activities and use digitalization systems, which will positively impact bank business efficiency. When providing credit, banks must also pay attention to the fact that businesses provided with capital in the form of credit will not have a negative impact on the environment. This is expected to improve bank efficiency and company image, thereby increasing company profits and ultimately impacting firm value (Hastuti and Kusumadewi, 2023). Therefore, the hypothesis in this study is as follows:

H_1: The green banking employed before the COVID-19 pandemic differs from those employed during the pandemic

2.6.2 Firm Value Before and During COVID-19 Pandemic

Research related to the influence of the COVID-19 pandemic on the capital market in Indonesia has been carried out previously. Nasution et al. (2020) stated that the COVID-19 pandemic has brought the capital market in a negative direction due to low investor sentiment towards the market. One of the ways this can be seen is through the Composite Stock Price Index (IHSG) during the pandemic, which was different from before the pandemic Meilani et al., 2021), to be precise, it experienced a decline (Haryanto, 2020). Apart from that, the influence of the pandemic can also be seen in the decrease in share prices and company financial performance (Rahmani, 2020). Therefore, the hypothesis in this study is as follows:

H_2: Firm value before the COVID-19 pandemic differs from firm value during the COVID-19 pandemic.

2.6.3 The Influence of Green Banking on Firm Value

Green Banking is a concept regarding the activities of a financial institution by prioritizing environmental sustainability in carrying out its business operational activities. Every business decision made by a company must consider its impact on the environment. Through these activities, green banking practices will keep the company environment safe and comfortable. This will affect the continuity and financial performance of the company in the future (Handajani, 2019). According to research by Karyani & Obrien (2020), green banking practices increase the value of a company. Because green banking can benefit the company's stakeholders in the future, the practice of implementing it can raise the value of the business. According to research by Khan et al. (2021), disclosures on green banking have an impact on business value since they can lessen knowledge asymmetry for stakeholders in the company. Stakeholders' response to the exposure of green banking practices has undoubtedly been favorable. Deposits are made by customers in banks that exhibit strong environmental and financial performance. This is consistent with the legitimacy theory, which holds that consumers justify banking operations when the corporation engages in worthwhile endeavors. Investor opinions of bank firms that utilize green banking have improved as a result of the disclosure of green banking. This is because non-financial factors, such as environmental aspects, are provided in the disclosure of green banking to strengthen the reliability of corporate information. As a result, the following hypothesis is put forth:

H_3: Green Banking has a positive effect on firm value

2.6.4 The Influence of Managerial Ownership on Firm Value

Managerial ownership is the proportion of a company's shares held by the managerial party. The value of the company will be impacted by a rise in managerial ownership since it will provide management more authority over management functions and enable them to optimize all business choices and activities. This suggests that as the percentage of managerial ownership increases, so too will the firm value. Previous research by Darmayanti et al.

(2018) and Lumapow (2018) shows how managerial ownership impacts company value. Therefore, the hypothesis in this study is as follows:

H_4: Managerial ownership has a positive effect on firm value

2.6.5 The Influence of Independent Commissioners on Firm Value

Independent commissioners are members of the Board of Commissioners who are not affiliated with management, other members of the Board of Commissioners, or controlling shareholders, free from business or other relationships that could affect their ability to act independently or act solely in the interests of the company. The need for independent commissioners in the company is to help plan the company's long-term strategy and periodically review the implementation of this strategy. It is hoped that the existence of independent commissioners will increase the role of the board of commissioners. The higher the proportion of independent commissioners in the company, the better the supervision of the board of directors and the greater the input or options that the directors will receive. Studies by Nurhaiyani (2018) and Falikhatun et al. (2020) prove that an independent board of commissioners influences company value. Therefore, the hypothesis in this study is as follows:

H_5: Independent commissioners have a positive effect on firm value

2.6.6 The Influence of Audit Committee on Firm Value

The audit committee is a group of people selected from the company's board of commissioners who are responsible for assisting the auditor in maintaining his independence from management. Independence is a characteristic that the audit committee must have. The audit committee's responsibility in protecting the interests of minority shareholders can convince investors to entrust their investment to the company. The audit committee has an important role, namely maintaining the integrity of the process of preparing financial reports and maintaining adequate control, so that company control will increase and reduce management conflicts. Acts of fraud and opportunistic management behavior that can be detrimental to the company can be prevented through the audit committee's understanding of the company's internal control system. Company value can increase with a committee so that the company can run effectively and efficiently. The existence of supervision from the audit committee will ensure the achievement of company performance so that it has an impact on firm value and is expected to create a transparent business environment (Sarafina, S., & Saifi, 2017, Widianingsih, 2018). Therefore, the hypothesis proposed is as follows:

H_6: The audit committee has a positive effect on firm value

III. METHOD

3.1. Research Design, Population, and Sample

The research methodology utilized in this study is quantitative research, which is a tried-and-true technique that is frequently used in many different sectors. The gathering and statistical analysis of numerical data is what defines quantitative research. The associative research design used in this study was inspired by Fiadicha and Hanny's (2016) work, which suggests using this strategy to look at causal linkages between variables and how one variable influence or affects others. In particular, an associative research design works effectively when the researcher aims to identify relationships and interactions between many components.

The study's population consists of 18 banks with 72 observations that were listed on the Indonesia Stock Exchange between 2018 and 2021. Purposive sampling, which is a sample methodology based on specific considerations that are modified to the goals or formulation of the problem in the research, was utilized for the sampling process. Secondary data, including yearly financial reports and banking sustainability reports issued on the Indonesian stock exchange, were used in this study. We acquired secondary data sources from the IDX website (www.idx.co.id).

3.2. Measurement

Table 1. Research Operational Variables

Variable	Simbol	Measurement	Source
Firm Value	PBV	$\frac{\textit{market price per share}}{\textit{book value per share}}$	Harmono (2017)
Managerial Ownership	MO	$\frac{\textit{number of shares owned by management}}{\textit{outstanding shares}} x100\ \%$	Perdana (2014)
Independent Commissioners	IC	$\frac{\textit{number of independent commissioners}}{\textit{Total members of the board of commissioner}} x100\ \%$	Purwaningsih (2022)
Audit Committee	AC	$\textit{number of audit committee}$	Onasis (2016)
Green Banking	GB	$\frac{\textit{Total items disclosed in each element}}{\textit{The number of expected green banking indicator}}$	Bose (2018)

IV. RESULT AND DISCUSSION

4.1. Result

This study has 18 banks as its sample. There have been 72 observations over the research period, which runs from 2018 to 2021. A descriptive statistic of the study's variables can be found in Table 4.1. To be more precise, it can be.

Table 2. Descriptive Statistical Test Results

	Mean	Minimum	Maximum	Std. Deviation
PBV before COVID-19	1,711	0,293	5,523	1,425
PBV during COVID-19	1,579	0,086	4,856	1,226
GB before COVID-19	0,846	0,714	0,905	0,053
GB during COVID-19	0,873	0,714	0,952	0,058
MO before COVID-19	0,019	0	0,265	0,061
MO during COVID-19	0,012	0	0,176	0,040
IC before COVID-19	57,943	25	75	10,577
IC during COVID-19	57,225	33,333	80	9,690
AC before COVID-19	4,166	2	7	1,341
AC during COVID-19	4,416	3	8	1,969

Based on the descriptive statistics in the table above with a total of 36 data points in the period before the pandemic and during the pandemic, it can be explained that for the variables company value, managerial ownership, and independent commissioners, although the changes in numbers are not very significant, it can be seen that the mean, minimum, maximum, and deviation standard shows a downward trend. This shows that there are differences in company value, managerial ownership, and independent commissioners in the period before and during the pandemic. Meanwhile, for the audit committee and green banking variables, the mean, minimum, maximum, and standard deviation values show an increasing trend, indicating that there are differences between the audit committee and green banking in the period before and during the pandemic.

Table 3. Green Banking Disclosure

No	Green Banking Disclosure Items	(%)
1	Information that reveals nature conservation policies and policies for dealing with climate change	100
2	Information about project financing, green projects, and monitoring of environmental initiatives	90.91
3	Reducing paper waste by encouraging internal communication and waste management	97.73
4	Information relating to the implementation of policies and technology	100
5	Information relating to the use of environmentally friendly materials	100
6	Information relating to energy conservation in carrying out operations	97.73
7	Information on measures to mitigate climate change and reduce emissions	100
8	Information regarding the introduction of various environmentally friendly products	100
9	Information reporting on bank initiatives and engagement in environmental matters	100
10	Evaluation relating to the impact caused by the client's business before sanctioning financing facilities	25
11	Information about organizing or planning to organize training to increase environmental awareness	100
12	Information on bank contributions to environmentally friendly activities or environmental improvements	97.73
13	Information about awards for environmental conservation initiatives	34.09
14	Information about facilities aligned with environmental programs	100
15	Information about establishing a climate change fund	95.45
16	Information about green branch settings	0
17	Information about the internalization of environmentally friendly marketing	100
18	Information about the bank's initiatives and its involvement in employee training regarding the green movement	93.18
19	Information about the budget amount allocated each year for green banking practices	100
20	Information on the actual amount spent on green banking activities	90.91
21	Use of a separate page for green banking reports in annual reports	100

Based on Table 3, it appears that the banks in this study disclose information about bank policies related to concern for environmental preservation and climate change. Other green banking disclosure items related to waste, technology, and climate have also been well disclosed. However, disclosure is still deficient (less than 50%), as seen in items about green branches, evaluation of the impact caused by the client's business, and information about awards for environmental conservation initiatives.

Table 4. Normality Test Results

	N	Sig.
Before COVID-19	22	0.187
During COVID-19	22	0.200

When we eliminated the outlier data from the data, which had an irregular distribution before, the results looked like the table above. The asymp sig value of 0.187 and 0.200 are greater than 0.05, which means that Ho is accepted and, at the 95% confidence level, the normalcy distribution assumption for the error variable is satisfied based on the test findings obtained using the Kolmogorov Smirnov analysis tool.

Table 5. Classical Assumption Test Results

	N	VIF	Sig.
GB before COVID-19	36	1,121	0,873
GB during COVID-19	36	1,250	0,719
MO before COVID-19	36	1,126	0,747
MO during COVID-19	36	1,382	0,391
IC before COVID-19	36	1,095	0,438
IC during COVID-19	36	1,229	0,927
AC before COVID-19	36	1,145	0,070
AC during COVID-19	36	1,432	0,087
Durbin Watson before COVID-19	1.19		
Durbin Watson during COVID-19	1.772		

Table 5 shows that the VIF value is < 10 in the period before COVID-19 and during COVID-19, so it can be concluded that the regression model is free from multicollinearity. Furthermore, it can be said that heteroscedasticity did not arise because the Sig value of every variable was greater than 0.05 both before and during COVID-19. With a DW stat value of 1.19 and 1.772 in the test results obtained from the Durbin-Watson test analysis tool, it was determined that the assumption of no autocorrelation was satisfied.

Table 6. Wilcoxon test results

	Sig.
GB before and during COVID-19	0,003
PBV before and during COVID-19	0,140

Green banking during and before the COVID-19 pandemic revealed sig. 0.003, which is less than 0.05, indicating a significant difference between Green banking during and before the COVID-19 pandemic then H_1 is accepted. Conversely, the firm value (PBV) for both the pre-pandemic and pandemic periods displays a sig. of 0.140, greater than 0.05, indicating that there is no statistically significant difference between the two periods' firm values, then H_2 is not accepted.

Table 7. Regression test

		Coefficient	Sig.
GB before COVID-19		-0.011	0.990
GB during COVID-19		-0.217	0.175
MO before COVID-19		-0.229	0.017
MO during COVID-19		0.380	0.027
IC before COVID-19		-0.776	0.000
IC during COVID-19		0.182	0.005
AC before COVID-19		-0.521	0.000
AC during COVID-19		0.312	0.071
R-square before COVID-19	0.744		
R-square during COVID-19	0.318		
Prob(F-statistic) before COVID-19	0.000		
Prob(F-statistic) before COVID-19	0.003		

Observations (each period)	36

Hypothesis 3 states that green banking increases firm value. Testing hypothesis 3 before and during the pandemic yielded sig. value of 0.990 and 0.175, both greater than 0.05. This number yields a negligible result, indicating that H_3 was not accepted before or during the COVID-19 pandemic. Hypothesis 4 states that managerial ownership has a positive effect on firm value. The findings of testing hypothesis 4 before and during the pandemic yielded sig values of 0.017 and 0.027, respectively, both less than 0.05, indicating significant results. The coefficient value indicates that there is a difference in the direction of the relationship between the period prior to COVID-19 (-0.229) and the period during COVID-19 (0.380). This suggests that hypothesis 4 was rejected prior to COVID-19, but accepted during the COVID-19 timeframe.

Hypothesis 5 states that independent commissioners have a positive impact on firm value. Testing hypothesis 5 before and during the epidemic yielded sig values of 0.000 and 0.005, both less than 0.05, indicating statistically significant results. The coefficient value indicates that there is a difference in the direction of the association between the time before to COVID-19 (-0.776) and during COVID-19 (0.182). This suggests that hypothesis 5 was rejected prior to COVID-19, but accepted during the COVID-19 timeframe. Hypothesis 6 states that the audit committee has a positive effect on firm value. The findings of testing hypothesis 6 prior to the pandemic yielded a sig value of 0.000, which is less than 0.05 with a coefficient of -0.521, indicating that the audit committee has a negative impact on corporate value, hence H_6 is not accepted. The sig value during the pandemic was more than 0.05, specifically 0.071; this value indicates that the data are not significant, implying that H_6 was not accepted during the COVID-19 pandemic.

4.2. Discussion

Based on hypothesis testing results, there are substantial changes in green banking practices prior to and during the COVID-19 pandemic. During the pandemic, many businesses and the financial sector focused on dealing with the pandemic's economic and health effects. Priorities can shift from environmental issues to those that are regarded as more important. Customers and businesses may also shift their priorities during the pandemic. Changes in environmental awareness or pressing requirements may cause banks and customers to shift their focus to other issues. During the pandemic, banking service patterns shifted; banking activities were primarily carried out online since the government imposed a lockdown.

Meanwhile, there is no substantial difference between firm values before and during the COVID-19 pandemic. This is achievable because the organization already has strong business resilience and effective risk management, allowing it to respond rapidly to changing market conditions and mitigate the potential effects of a catastrophe like a pandemic. Companies with a robust financial structure, as well as significant liquidity and financial strength, can help to retain firm stability and value during challenging periods like the COVID-19 pandemic.

In terms of green banking practices and firm value, the study's findings reveal that the impact of green banking on firm value was the same before and during the COVID-19 pandemic. This is because banks are more focused on their primary activities, which are saving and distributing money, and consider green banking practices to increase operational costs. If management fails to integrate these procedures efficiently, it will result in higher expenses and a lower firm value. Banking businesses also recognize that environmentally conscious practices, such as green banking, may not deliver an immediate or rapid return on investment. If a corporation concentrates too heavily on sustainable practices without considering the financial implications, this might be viewed as a barrier to company value.

According to hypothesis testing results, managerial ownership had a negative influence on firm value prior to the COVID-19 pandemic but positively affected firm value during the outbreak. The findings of this study are consistent with those of Darmayanti and Sanusi (2018), who found that managerial ownership influences firm value. Prior to the COVID-19 epidemic, managers' interests were not always aligned with those of shareholders. This can lead to a conflict of interest, in which managers prioritize their interests over building long-term value for the organization. Furthermore, managers may prioritize short-term performance to increase the value of their shares or earn incentives, without considering the long-term influence on business value. Meanwhile, during the

COVID-19 pandemic, managerial ownership had a beneficial effect on the firm's value; managers became more conscious of the steps that must be taken to maintain the value of the company and their shares at times of crisis, such as COVID-19. Managers are more concerned with the long-term viability of the business. However, this research contradicts Hidayah's (2015) findings and Afrizon and Sitompul's (2021) findings, which suggest that managerial ownership does not affect firm value.

Based on the results of hypothesis testing, it appears that the influence of independent commissioners on company value differed between the two observation periods, with independent commissioners having a negative influence on company value before the COVID-19 pandemic and a positive influence on company value during the pandemic. Before the COVID-19 pandemic members of the Independent Commissioner may be less active or successful in carrying out their tasks, thus they provide no significant assistance in making strategic decisions for the firm and cannot contribute significantly to increasing the company's value. During the COVID-19 outbreak, independent commissioners boosted business value. This is because members of the Independent Commissioner play an active role in deciding what actions the corporation must take during the COVID-19 outbreak. Commercial and financial risks grew, necessitating the appointment of a competent independent commissioner to assist in evaluating and adjusting the company's business plan during the crisis while also looking out for the company's long-term interests. This study's findings are consistent with those of Thaharah and Asyik (2016), who found that independent commissioners influence business value. However, this research contradicts Amaliyah and Herwiyanti's (2019) findings, which suggest that independent commissioners do not affect company value.

The Audit Committee has a very important role in maintaining integrity, transparency, and accountability in a company. This role can directly impact company value. Hypothesis testing proves that in the period before the COVID-19 pandemic, the Audit Committee had a negative effect on company value. Audit committees can reduce the value of the company if they are ineffective in carrying out their functions, generate high agency costs, or are not sufficiently independent and objective. Lack of independence and objectivity can harm the effectiveness of supervision and disrupt company performance. Meanwhile, during the COVID-19 pandemic, the Audit Committee did not affect firm value, the results of this study are in line with Indrastuti (2021).

V. CONCLUSION

In accordance with the research findings, the following conclusions can be drawn: There are discrepancies between green banking practices prior to and during the COVID-19 pandemic. Meanwhile, there is no disparity in the company's value before and during the COVID-19 pandemic. the study's findings reveal that the impact of green banking on firm value was the same before and during the COVID-19 pandemic. This is because banks are more focused on their primary activities, which are saving and distributing money, and consider green banking practices to increase operational costs. If management fails to integrate these procedures efficiently. This study further discovered that prior to the COVID-19 pandemic, managerial ownership, independent commissioners, and audit committees had a negative effect on firm value. However, it is clear that changes happened during the COVID-19 pandemic specifically, this study empirically demonstrates that managerial ownership and independent commissioners have positive impacts on firm value, whereas the audit committee does not affect firm value.

This study has limitations, including a small sample size due to the lack of transparency in sustainability reports by many institutions. (2) There are outlier data, which reduces the research sample. This research has crucial implications for banking, as it highlights the need to disclose sustainability reports as a form of corporate responsibility in corporate governance and social responsibility. (2) The government, under POJK Number 51/POJK.03/2017, is required to urge all banks to implement Sustainable Finance. (3) Academics can provide insight and serve as a reference for future research.

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