ABSTRACT

The aim of this study is to examine the effect of risk governance on bank performance. Accounting-based performance is measured by return on asset and return on equity. Market- based performance is measured by Tobins'q. This study examine risk governance in term of risk disclosure, size of risk committees, and efectivity of risk committees. This study used auditors type and leverage as control variable.

This populations in this study consists of financial firm especially the banking sector in Indonesian Stock Exchange for the period 2016-2017. Sample determined with purposive sampling method. Total sample of this research is 86 companies.

This study used multiple regression analysis for hypothesis testing. The result of this study show that the extent of risk disclosure has positive effect on bank performance, size of risk committees has positive effect on bank market performance, but not influenced on bank operating performance, and efectivity of risk committes is measured by frequencies of risk committees meetings not influenced on bank performance.

Key words : Risk governance, Accounting-based performance, Market-based performance, Bank.