



The 1ST UNICEB 2017

Garuda Plaza Hotel Medan, December 12th 2017



GOOD CORPORATE GOVERNANCE AND BANK RISK MANAGEMENT ON INDONESIAN BANKING FIRMS

MARIANA ING MALELAK

Department of Management
Faculty of Economics
Universitas Kristen Petra

ABSTRACT

This study aims to analyze the influence of good corporate governance (GCG) mechanism on bank risk management. The GCG mechanism variables in this study, consist of the number of boards of commissioners, the number of boards of directors, institutional ownership, managerial ownership and public ownership. Meanwhile, the variable of bank risk management consists of interest rate risk, credit risk, natural hedging strategy, and solvency / capital risk. This research uses Panel Data Regression Analysis method with company listed in Indonesia Stock Exchange in banking subsector during 2007-2016. The results showed that only GCG mechanism variables, namely (1) Number of boards of directors significantly influence the risk management of banks (credit risk and natural hedging strategy); (2) Institutional ownership and (3) Public ownership has significant effect on bank risk management (interest rate risk and natural hedging strategy).

Keywords: *Corporate Governance, Risk Management, Banking*

