Budapest International Research and Critics Institute-Journal (BIRCI-Journal)
Humanities and Social Sciences
ISSN 2615-3076 Online)
ISSN 2615-1715 (Print)
www.bircu-journal.com/index.php/birci
Budapest Institute

The Influence of Implementation of Risk Management and Corporate Governance with Bank Size as an Intervening Variable on Banking Financial Performance (Analytical Study on Sharia Banking Listed on the Indonesian Stock Exchange)

Khalisah Visiana[1], Ni Made Yulia Permatasari[2]
[1,2]*Universitas 17 Agustus 1945, Jakarta, Indonesia*
khalisah.visiana02@gmail.com, nimadeyulia15@gmail.com

Abstract

This study aims to determine whether Risk Management and Corporate Governance with Bank Size as an intervening variable on the financial performance of banking companies listed on the IDX, to determine whether Risk Management and Corporate Governance affect the financial performance of banking companies listed on the IDX through Bank Size as an intervening variable to find out whether Risk Management and Corporate Governance affect Bank Size in banking companies listed on the IDX and to determine whether Bank Size affects financial performance in banking companies listed on the IDX. The population used in this study is four banking companies listed on the Indonesia Stock Exchange. Using the purposive sampling method according to the criteria, there are four selected banking companies. Using the 2016 to 2020 observation year (5 years) to measure discretionary accrual plus the 2015 observation year, it will get 30 data observations as sampling in this study. Hypothesis testing is done by linear regression analysis. From the results of hypothesis testing, it is known that the application of risk management has a significant effect on financial performance and corporate governance has a significant effect on financial performance. Moreover, the application of risk management using Bank Size as an intervening variable can mediate financial performance, and the implementation of corporate governance using Bank Size as an intervening variable can mediate company performance, meaning that Bank Size is not a good variable in mediating the relationship between risk management and corporate governance. Financial Performance (KK) and Risk Management affect earnings management, while Corporate Governance affects Bank Size, and Bank Size affects financial performance.

Keywords
risk management; good corporate governance; bank size; and financial performance

I. Introduction

As a developing country, Indonesia always strives to become a country capable of improving the economic system by improving the work system and business opportunities that can be utilized towards sustainable economic growth. Can compete with other countries. Banks are an important aspect of everyday economic activities. Banks act as facilitators in the traffic of capital and payment activities which are one of the keys to the growth of economic activity. Various cases that continue to hit the banking world are increasingly causing a crisis of public confidence in banks. So to get the trust of the public, banks must be able to show good financial performance. The financial performance shows a picture of the financial condition of a particular bank, both in terms of raising funds and

distributing funds. Financial performance is always expected to show positive numbers to maintain public confidence. The public may discourage their intention to using banking services if the bank continues to show negative growth. The public will slowly experience a crisis of confidence in banks. If this confidence crisis continues, the banking world will gradually collapse.

The performance of a company must be closely related to the governance of the company. Good corporate governance will automatically result in good company performance as well. Dhanis (2012) states that corporate governance is one of the determinants of the severity of the crisis in Southeast Asia. The weaknesses of this governance can be seen in the lack of financial performance reporting, lack of supervision over management activities by the board of commissioners and auditors, and the lack of external incentives. To encourage the creation of efficiency in the company through fair competition. (Ujiyantho & Pramuka, 2007)also reveal that corporate governance is one of the key elements in increasing economic efficiency, including a series of relationships between company management, the board of commissioners, shareholders, and other stakeholders.

To become a healthy industry, banks must be supported by effective GCG implementation and good risk management. Bank Indonesia (BI), the central bank, pays special attention to implementing GCG and risk management. This can be seen in the enactment of Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006, which regulates the implementation of GCG standards for conventional banks in Indonesia, which was later revised by PBI No. 8/14/PBI/2006, and accompanied by the issuance of Circular Letter of Bank Indonesia (SEBI) No. 15/15/DPNP on April 29, 2013, regarding the implementation of GCG for conventional banks. In addition, BI also issued regulations for implementing banking risk management to control risks faced by banks through PBI Number 11/25/PBI/2009 concerning amendments to PBI Number 5/8/PBI/2003 dated May 19, 2003, concerning the implementation of risk management for conventional banks. . The implementation of GCG and risk management for banks is expected to improve corporate governance and make banking stock performance expected to rise from the previous year's stock price and result in the optimal and better financial performance of banking companies than the previous year.

The above understanding concludes that sharia banking is a state financial institution that includes sharia business activities as well as procedures and processes in carrying out business activities using sharia principles and types of sharia in carrying out financial institution activities.

With the implementation of an effective GCG mechanism, it can improve the management of risk management faced by banks. Risk management according to Australia/New Zealand Standards (1999), risk management is a logical and systematic process of identifying, analyzing, evaluating, controlling, monitoring, and communicating risks related to all activities, functions, or processes with the aim of the company being able to minimize losses. And maximize opportunities. Implementing this risk management helps companies identify risks early on and help make decisions to address these risks. According to Herman Darmawi, risk management is an attempt to identify, analyze and control risks in every company activity to obtain higher effectiveness and efficiency.

Risk management plays an important role in banking financial performance. Risk management is an effort to control the risks that occur systematically so that losses can be avoided or minimized. In this study, risk management plays an important role in financial performance because risk management can minimize the possible risk of company losses and can control the risk of each company's activity to obtain higher effectiveness and

efficiency so that the financial performance of banking companies will be more thorough in minimizing losses if the implementation of risk management is carried out well in Islamic banking companies.

The implementation of GCG in sharia banking is to make sharia banks more stars because its implementation in the banking industry must comply with sharia principles. Sharia banking operations must be carried out strictly based on sharia principles. On the other hand, the direction of development and regulation of sharia banking is to ensure compliance with sharia principles (sharia compliance) in its operations by implementing fatwas that have been issued by the National Sharia Council (DSN) of the Indonesian Ulema Council (MUI). Tjager and Deny (2005) define Good Corporate Governance as a system that directs and controls the company to achieve a balance between the company and its stakeholders. GCG is a banking management system designed to improve bank performance, protect stakeholders' interests, and improve compliance with laws and regulations and generally accepted ethical values. Therefore, to build public trust in sharia banks and ensure compliance with sharia principles, it is necessary to implement GCG as a condition for sharia banks to develop properly and healthily.

Several researchers have researched the relationship between good corporate governance and company performance. Gedajlovic and Saphiro (1998) in c found a statistically significant relationship between ownership concentration and firm performance in Canada, France, Germany, the United Kingdom, and the United States. (Trisnantari, 2012) , using Tobin's Q, found that corporate governance as proxied by managerial ownership, institutional ownership, the proportion of independent commissioners, and the number of audit committee members statistically affect the company's performance. According to Dani and Hasan in Like Monisa Wati, the factors affecting financial performance include GCG. Because the basic principles of GCG aim to provide progress on the financial performance of a company. The better GCG a company has, the better the performance is expected to be.

This study discusses corporate governance that has an important effect on financial performance because GCG aims to provide progress on a company's financial performance. The more well-executed banking company governance is, the better the company's performance is expected and will affect the financial performance of banking companies that carry out good corporate governance. (Arifani, 2013)

The above understanding concludes that Bank Size (Company Size) is a scale where the size of the company can be classified in various ways, including total assets, market value, log size, stock market value, and others. The company's size (Size) can be seen from its total assets.

Financial performance in the business world context contains a very broad meaning. According to the Indonesian Institute of (Nordiawan, Putra, & Rahmawati, 2007) the definition of financial performance is the company's ability to manage and control its resources. Financial performance is a description of the company's financial condition in a certain period regarding aspects of fundraising and distribution of funds, which are usually measured by indicators of capital adequacy, liquidity, and profitability (Jumingan, 2006) Financial performance is an illustration of the achievement of the company's success. It can be interpreted as the results that have been achieved in various activities that have been carried out. It can be explained that financial performance is an analysis carried out to see the extent to which a company has implemented it using financial implementation rules properly and correctly (Fahmi, 2012)

Company performance can be seen through various variables or indicators (Kristiyanti, 2012) The variables or indicators used as the basis for the assessment are the

company's financial statements. Risk management and GCG are important components of a company. A company's management will run well if it has good risk management. Likewise, with financial performance, if risk management and GCG run well, a company's financial performance will also run well. With good financial performance, it is hoped that this will increase investor and creditor confidence to invest in the company in the hope that it will provide the maximum return on the invested capital.

Based on the description above, this research is entitled "The Influence of Application of Risk Management and Corporate Governance with Bank Size as Moderating Variable on Banking Financial Performance (analytical study on Islamic banking listed on the Indonesian stock exchange)." This study aimed to determine the effect of implementing good corporate governance and risk management with bank size as an intervening variable on the financial performance of Islamic banking. Furthermore, the benefit of this research is to add insight and knowledge about the effect of implementing risk management and corporate governance on the financial performance of listed Islamic banks. on the Indonesian stock exchange.

II. Research Method

This research uses quantitative approaches to empirical studies to collect, analyze and display data in numerical rather than narrative form (Prajitno, 2013) Emphasis is on testing theory through measuring research variables with numbers. This study uses a quantitative approach using financial ratio data and stock prices based on a time series, namely data chronologically arranged according to changes in a certain period.

Data Collection Methods

a. Types of Data and Data Sources

1. Types of Data
   In this study, the data used by this researcher is secondary data. Secondary data is obtained and stored by other people, usually past data (Dermawan Wiboson 2002).
2. Data Sources
   The data sources used are secondary data in the form of annual financial reports and annual reports for the 2016-2020 period. The data obtained was accessed through the official website of the Indonesian Stock Exchange, namely the website (www.idx.co.id).

b. Data Analysis Methods

In quantitative research, data analysis is an activity after the data is obtained. To test the hypothesis, a quantitative test was carried out to calculate how big the difference between the four ratios of Islamic Banking was with the comparative method and statistical calculations through computer assistance, namely Statistical Product and Service Solution (SPSS).

1. Descriptive Analysis
   Descriptive the analysis is a statistical method that seeks to explain or describe various data characteristics such as maximum and minimum values, averages, and so on. In this case, the research tries to explain the data in the form of tables, graphs, and others, to provide a clear picture of the implementation of risk management and corporate with stock returns on the financial performance of Islamic banking.

2. Normality Test

   Purpose of conducting a normality test on a series of data is to find out whether the data population is normally distributed or not. If the data is normally distributed, then parametric statistical tests can be used (Siregar, 2015). Kolmogorov-Smirnov is a normality test for large samples. In SPSS, if you use a significant level of = 0.05 > the SPSS sig value, it can be normally distributed and vice versa (Pramesti, 2015)Paired

3. Sample T-test

   To analyze two correlated samples with interval/ratio data, a paired sample t-test was used (Siregar, 2015) This test is used to determine whether or not there is a difference between the average values between two variables or groups of paired data. Coupled with intent, one sample gets a different treatment from the time dimension. This test is also used in studies where the number of samples is small, not more than 30. The calculation of the two correlated samples used in this study uses SPSS software. So that the test carried out in this study is the paired sample t-test.

III. Results and Discussion

This study aims to determine the effect of implementing good corporate governance and risk management with bank size as an intervening variable on the financial performance of Islamic banking. The effect of implementing corporate governance with indicators of institutional ownership, ownership of directors, the proportion of independent commissioners, size of the board of commissioners, and audit committee. The effect of implementing risk management with indicators NPF, bopo, car, FDR, and bank size with indicators ln (total assets) on the financial performance of Islamic banks listed on the Indonesian stock exchange for the period 2016-2020 with indicators measuring roa, der, and npm. This study uses secondary data, namely annual and financial reports from Islamic banking companies on the Indonesia Stock Exchange. The population used in this study is all Islamic banks listed on the Indonesia Stock Exchange from 2016-to 2020.

Sample selection using certain selection or criteria. Moreover, the data obtained on the IDX with its website www.idx.co.id obtained population data from banking sector companies registered during a predetermined period of 4 companies. The period used is the last five years in 2016-2020 to have 30 data to be studied.

The analysis used in this research is a descriptive statistical analysis that aims to provide an overview of what will be studied with sample data. However, it does not provide analysis and conclusions that are usually general. Descriptive statistical analysis consisted of the mean (mean), maximum and minimum values, standard deviation, and the amount of research data.

3.1 Descriptive Statistical Analysis Results

Based on the list of company names and financial performance data (ROA, DER, NPM), risk management indicators, and good corporate governance, which were processed using the SPSS program, the following descriptive statistics were obtained:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
NPF	30	1.8543	4.99	0.00	1.63932
CAR	30	11.51	329.09	47.9753	71.57579
BOBO	30	56.16	217.40	95.7127	35.69924
FDR	30	.13	453.88	102,6990	78,91628
KI	30	1.00	100.00	81.2147	23,90951
KM	30	11,6247	99.00	0.00	19,78914
PDKIN	30	,	4.00	1,9333	82768
UDK	30	2.00	6 ,00	3,6667	,84418
KA	30	2.00	8.00	4,3333	1.39786
LN	30	13.40	19.20	17.0880	1.80222
ROA	30	-10.77	13.60	2.8243	5.32867
DER	30	1.7400	4.88	.06	1.38039
NPM	30	-32747.60	1533.60	-1059.2100	5992.28366
Valid N (listwise)	30				

Based on the results of descriptive analysis, it can be seen that the first applied financial performance of banking companies, namely ROA, has a minimum amount of -10.77 times the company's total equity. The maximum value is 13.60, which means that the company's largest total debt is 13.60. The average number is 2.8243, and the total standard deviation is 5.32867. The second DER has a minimum amount of 0.06 times the company's total equity. The maximum value is 4.88, meaning the company's largest total debt is 4.88. The average number is 1.7400, and the standard deviation is 1.38039.

Furthermore, NPM has a minimum amount of -32747.60 times the company's total equity. The maximum value is 1533.60, meaning the company's largest total debt is 1533.60. The average number is -1059.2100, and the standard deviation value is 5992.28366.

The results of the descriptive analysis show that the company's Risk Management (X1) with NPF indicator (X1.1) has a minimum value of 0.00, a maximum value of 4.99, an average number of 1.8543, and a standard deviation of 1.63932. The second CAR(X1.2) has a minimum value of 11.51, a maximum value of 329.09, an average value of 47.9753, and a standard deviation of 71.57579. The third is BOPO (X1.3) which has a minimum value of 56.16, a maximum value of 217.40, an average value of 95.7127, and a standard deviation of 35.69924. FDR(X1.4) has a minimum value of 0.13, a maximum value of 453.88, an average number of 102.6990, and a deviation value of 78.91628.

The results of the descriptive analysis show that Good Corporate Governance (X2) with KI indicators (X2.1) has a minimum value of 1.00, a maximum value of 100.00, an average number of 81.2147, and a deviation value of 23.90951. The second KM(X2.2) has a minimum value of 0.00, a maximum value of 99.00, an average number of 11.6247, and a deviation value of 19.78914. The third PDKIN(X2.3) has a minimum value of 0.00, a

maximum value of 4.00, an average number of 1.9333, and a deviation value of 0.82768. The fourth UDK(X2.4) has a minimum value of 2.00, a maximum value of 6.00, an average value of 3.6667, and a deviation value of 0.84418. Moreover, KA (X2.5) has a minimum value of 2.00, a maximum value of 8.00, an average number of 4.3333, and a deviation value of 1.39786.

The results of the descriptive analysis for the variable size of the company Bank Size, in this case, use the total asset indicator transformed in the form of a natural logarithm. Ln has a minimum value of 13.40, a maximum value of 19.20, an average value of 17.0880, and a deviation value of 1.80222.

3.2 Hypothesis Test (X1-X2-Z against Y)

a. Test the coefficient of determination (KD)

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	,726[a]	,526	,277	3,81122

a. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR
b. Dependent Variable: ROA
Based on the table above

The interpretation of the table above shows that the R-value is 0.526 or 52.6%, indicating a simultaneous influence between the X1 and X2 variables on the ROA variable of 52.6%. The remaining 47.4% is influenced by the variable other.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
a	1,07184[a]	,605	,397	1,778

. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR
b. Dependent Variable: DER

The interpretation of the table above shows that the R-value is 0.605 or 60.5%, which shows a simultaneous influence between the X1 and X2 variables on the DER variable of 60.5%, and other variables influence the remaining 39.5%.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	,797[a]	,635	,444	4474,39930

a. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR
b. Dependent Variable: NPM

The interpretation of the table above shows that the R-value is 0.635 or 63.5%, indicating a simultaneous influence between X1 and X2 variables on the NPM variable of 63.5%, and other variables influence the remaining 36.5%.

b. F Test

The F test aims to determine whether or not there is a simultaneous (together) effect given by the independent variable (X) on the dependent variable (Y). If the sign value <

0.05 or the calculated F value > F table, then there is an effect of the X variable on the Y variable (and vice versa).
F table = F(k; nk)
= F(2;30-2)
= F(2;28)
= 3.34

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	306.851	10	30,685	2,113,077	275,983[b]
	Residual	14,525	19	582,834		
	Total	29	a			

. Dependent Variable: ROA
b. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR

The ANOVA table above interprets the effect of x1 and x2 on ROA. 3.34, so it can be concluded that H2 and H4 are rejected, which means there is no effect of variables x1 and x2 on ROA.

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33,431	10	3,343	3,910,022	21,828[b]
	Residual	55,259	19	1,149		
	Total	29	a			

. Dependent Variable: DER
b. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR

The interpretation of the ANOVA table above is the effect of x1 and x2 on DER, the sign value is 0.022 < 0.05, and the F value is 3.910 > 3.34, so it can be concluded that H2 and H4 are accepted, which means there is an effect of variables x1 and x2 on DER.

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	663160909,953	10	66316090,995	0.012	38038473 2,638[b]
	Residual	20020249,086	19	1043545642,59 2		
	Total	3,352	29			

a. Dependent Variable: NPM
b. Predictors: (Constant), LN, KA, BOPO, FDR, KM, UDK, PDKIN, KI, NPF, CAR

The ANOVA table above interprets the effect of x1 and x2 on NPM. It is known that the sign value is 0.012 < 0.05 and the F value is 3.352 > 3.34, so it can be concluded that H2 and H4 are accepted, which means that there is an effect of variables x1 and x2 on NPM.

c. T Test

The T test aims to determine whether or not there is a partial (independent) effect given by the independent variable (X) on the dependent variable (Y). T-test if the sign value is 0.05 or the value of T count > T table, then the effect of the X variable on the Y variable (and vice versa).
T table = t(a/2 ; nk-1)

= t(0.025; 30-2-1)
= t(0.025;27)
= 2.051

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	34,583	19,321		1,790	,089
	NPF	-,790	,685	-,289	-1,154	,263
	CAR	-,007	,020	-,119	-,368	,717
	BOPO	,011	,034	,092	3,337	,739
	FDR	, 008	,011	,146	,723	,478
	KI	-,005	,047	-,029	-,118	,908
	KM	,008	,048	,034	2,463	,873
	PDKIN	-1,122	1,347	-,207	-,833	,415
	UDK	-,801	1,133	-,151	-,707	,488
	KA	-,252	,726	-,079	-,348	,732
	LN	-1.413	,835	-,568	-1,693	,107

a. Dependent Variable: ROA

Interpretation from the table above can be explained as follows:

In the table above, risk management has a significant positive effect on financial performance ROA can be measured through the ROA variable because the calculated T value is 3.337 > 2.051, so risk management (X1) has a positive effect on financial performance (Y) because every t-count value is above 2.051, which means that the financial performance of the bank is getting better or higher. Next, corporate governance (X2) has a significant positive effect on financial performance (ROA) through the KM variable because the T arithmetic value is 2.463 > 2.051, so corporate governance (X2) has a positive effect on financial performance (Y) Based on descriptive statistics the average KM in banking companies is quite many. A large amount will improve banking performance. A large number of directors will make performance better because of the large number of resources, so tasks can be completed quickly. So it can be said that the larger the size of the board of directors, can improve the financial performance of banking companies. On the other hand, the smaller the size of the board of directors, the lower the financial performance of banking companies.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-16,457	5,434		-3,029	,007
	NPF	-,128	,193	-,153	-,667	,513
	CAR	,007	,006	,388	1,313	,205
	BOPO	,026	,010	,682	2,751	,013
	FDR	8,880E,	,003	005	,028	,978
	KI	,029	,013	,499	2,194	,041
	KM	,	010,013	,150	,780	,445
	PDKIN	-,932	,379	-,559	-2,459	,024
	UDK	,160	,319	, 098	2,502	,621
	KA	,386	,204	,390	1,889	,074
	LN	,739	,235	,964	3,145	,005

a. Dependent Variable: DER

Interpretation from the table above can be explained as follows:

In the table above, risk management has a significant positive effect on financial performance DER can be measured through the BOPO variable because the calculated T value is 2.751 > 2.051. Hence, risk management (X1) positively affects financial performance (Y) because every t-count value is above 2.051, which means that the bank's financial performance is getting better or higher. Next, corporate governance (X2) has a significant positive effect on financial performance (DER) through the KI and UDK variables because the T arithmetic value is 2.194 > 2.051 and 2.502 > 2.051, so corporate governance (X2) has a positive effect on financial performance (Y) Based on descriptive statistics on average The average KI and UDK in banking companies is quite a lot. A large amount will improve banking performance. A large number of directors will make performance better because of the large number of resources, so tasks can be completed quickly. So it can be said that the larger the size of the board of directors, can improve the financial performance of banking companies. On the other hand, the smaller the size of the board of directors, the lower the financial performance of banking companies.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-72913,168	22683,393		-3,214	,005
	NPF	-1749,348	804,165	-,478	-2,175	,042
	CAR	60,933	23,785	,727	2,562	,019
	BOPO	-,512	40,004	-,003	-,013	, 990
	FDR	-15,695	13,447	-,206	-1,167	,258
	KI	-49,291	54,854	-,196	-,899	,380
	KM	98,348	55,951	,324	2,758	,095
	PDKIN	-1665,799	1581,541	230	-1,05322,305	,
	UDK	-048	1330,529	,172	,918	,370
	KA	1561,635	852,132	,364	1,833	,083
	LN	4020,573	980,435 1,208	4,101	,	001

a. Dependent Variable: NPM

Interpretation from the table above can be explained as follows:

In the table above, risk management significantly positively affects financial performance. NPM can be measured through the CAR variable because the calculated T value is 2.562 > 2.051, so risk management (X1) has a positive effect on financial performance (Y) because every t-count value is above 2.051, which means that the financial performance of the bank is getting better or higher. Next, corporate governance (X2) has a significant positive effect on financial performance (NPM) through the KM variable because the T arithmetic value is 2.758 > 2.051, so corporate governance (X2) has a positive effect on financial performance (Y) Based on descriptive statistics the average KM in banking companies is quite many. A large amount will improve banking performance. A large number of directors will make performance better because of the large number of resources, so tasks can be completed quickly. So it can be said that the larger the size of the board of directors, can improve the financial performance of banking companies. On the other hand, the smaller the size of the board of directors, the lower the financial performance of banking companies.

3.3 Hypothesis Testing (X1-X2-Z)
a. Coefficient of Determination Test (KD)

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	,883[a]	,779	,679	1,02047

a. Predictors: (Constant), KA, NPF, FDR, KM, UDK, CAR, KI, PDKIN, BOPO
b. Dependent Variable: LN

The interpretation of the table above shows that the R-value is 0.779 or 77.9%, which shows a simultaneous influence between X1 and X2 variables on the LN variable of 77.9%, and other variables influence the remaining 22.1%.

b. F Test

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	73,365	9	8,152	7,828	,000[b]
	Residual	20,827	20	1,041		
	Total	94,192	29			

a. Dependent Variable: LN
b. Predictors: (Constant), KA, NPF, FDR, KM, UDK, CAR, KI, PDKIN, BOPO

The interpretation of the ANOVA table above is that the effect of x1 and x2 on LN is known to have a significant value of 0.000 <0.05 and a calculated F value of 7.828 > 3.34, so it can be concluded that H0 is accepted, which means that there is an effect of variables x1 and x2 on LN.

c. T Test

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21,686	1,803		12,028	,000
	NPF	,291	,172	,264	1,694	,106
	CAR	-,019	,003	-,737	-5,308	,000
	BOPO	-,020	,008	-,386	-2,434	,024
	FDR	,001	,003	,036	2,265	,794
	KI	-,019	,012	-,254	-1,632	,118
	KM	-,027	,011	-,299	-2,425	,025
	PDKIN	,619	,333	,284	2,857	,078
	UDK	-,126	,302	-,059	-,417	,681
	KA	-,305	,182	-,237	-1,677	,109

a. Dependent Variable: LN

Interpretation of the table above can be explained as follows:

In the table above, risk management significantly positively affects bank size. LN can be measured through the FDR variable because the calculated T value is 3.337 > 2.051. Hence, risk management (X1) positively affects bank size (Z) because every t value is calculated above 2.051, which means the total assets in the banking sector are getting better or better. Next, corporate governance (X2) has a significant positive effect on bank

size (LN) through the PDKIN variable because the T arithmetic value is 2.463 > 2.051, so corporate governance (X2) has a positive effect on bank size (Z). Based on descriptive statistics, the average PDKIN in banking companies is quite many. A large amount will improve banking performance. A large number of directors will make performance better because of the large number of resources, so tasks can be completed quickly. So it can be said that the larger the size of the board of directors, can improve the performance of banking companies. On the other hand, the smaller the size of the board of directors, the lower the performance of banking companies.

IV. Conclusion

Based on the results of the analysis and discussion, several conclusions can be drawn, namely: (1) risk management has a significant positive effect on financial performance; (2) corporate governance has a significant positive effect on financial performance; (3) risk management has a significant positive effect on bank size; (4) corporate governance has a significant positive effect on bank size. Furthermore, the intervention results through the Sobel test are: (1) risk management has a positive effect on financial performance and can be mediated by bank size; (2) corporate governance has a positive effect on financial performance and can be mediated by bank size. Limitations of this study several limitations may affect the results of the study. The limitations are that several risk management and corporate governance variables have insignificant results, perhaps because of the results of the financial statements that affect these results. Suggestions for further research are expected to develop this research through testing other factors that are adjusted based on the phenomenon of risk management and corporate governance as well as bank size that occurs in Islamic banking in Indonesia with a wider scope.

References

Arifani, Rizky. (2013). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan. *Malang: Universitas Brawijaya*.

Fahmi, Irham. (2012). *Analisis kinerja keuangan: panduan bagi akademisi, manajer, dan investor untuk menilai dan menganalisis bisnis dari aspek keuangan*.

Jumingan, Drs. (2006). Analisis laporan keuangan. *Jakarta: PT. Bumi Aksara*.

Kristiyanti, Mariana. (2012). Peran indikator kinerja dalam mengukur kinerja manajemen. *Majalah Ilmiah Informatika, 3*(3).

Nordiawan, Deddi, Putra, Iswahyudi Sondi, & Rahmawati, Maulidah. (2007). Akuntansi Pemerintah. *Jakarta: Salemba Empat*.

Prajitno, Subagio Budi. (2013). Metodologi penelitian kuantitatif. *Jurnal. Bandung: UIN Sunan Gunung Djati.(Tersedia Di Http://Komunikasi. Uinsgd. Ac. Id)*.

Pramesti, Getut. (2015). *Kupas tuntas data penelitian dengan SPSS 22*. Elex Media Komputindo.

Siregar, Syofian. (2015). *Metode penelitian kuantitatif: dilengkapi dengan perbandingan perhitungan manual & spss*.

Trisnantari, Ayu Novi. (2012). Pengaruh Corporate Governance pada hubungan pergantian chief executive officer dengan kinerja perusahaan. *Jurnal Ilmiah Akuntansi Dan Humanika*, *1*(2).

Ujiyantho, M. Arief, & Pramuka, Bambang Agus. (2007). Mekanisme corporate governance, manajemen laba dan kinerja keuangan. *Simposium Nasional Akuntansi X*, *10*(6), 1–26.