

The Effect Of Corporate Risk Disclosure (CRD) and Good Corporate Governance (GCG) On The Value Of Banking Companies Listed On The Indonesia Stock Exchange

Feby Nurul Adzkia¹, Imanuriea Annisa Putri²

^{1,2}Bandar Lampung University

Corresponding author : febinurul416@gmail.com

Abstract

This study aims to examine the effect of Corporate Risk Disclosure (CRD) and Good Corporate Governance (GCG) on firm value of banking companies listed on the Indonesia Stock Exchange during the 2022–2024 period. Firm value is measured using Tobin's Q, while CRD is measured through a risk disclosure index. GCG is proxied by independent commissioners, audit committees, and institutional ownership. This research employs a quantitative approach with explanatory research design. The sample consists of 23 banking firms selected through purposive sampling, resulting in 69 observations. Data analysis is conducted using multiple linear regression. The results indicate that Corporate Risk Disclosure has a positive and significant effect on firm value. Furthermore, Good Corporate Governance mechanisms also have a positive and significant effect on firm value. These findings suggest that transparency in risk disclosure and the implementation of good corporate governance enhance investor confidence and firm value in the banking sector.

Keyword: Corporate Risk Disclosure, Good Corporate Governance, Firm Value, Banking.

INTRODUCTION

A company's value is an important indicator that reflects the market's perception of the company's performance and future prospects. In the banking sector, a company's value is influenced not only by financial performance but also by the level of information transparency and the quality of corporate governance. The complexity of risks faced by banks necessitates that companies adequately disclose risks to reduce information asymmetry between management and investors.

Corporate Risk Disclosure (CRD) serves as a means of transparency that provides an overview of the various risks faced by a company and the efforts to manage them.

860

IJEBIR, Volume 05 Issue 01, 2026



Copyright at authors some rights reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

Darniaty & Murwaningsari (2022) stated that adequate risk disclosure can increase investor confidence and positively impact the company's value. Furthermore, Haj-Salem et al. (2020) emphasized that risk disclosure combined with good corporate governance can strengthen a company's value.

The implementation of Good Corporate Governance (GCG) also becomes an important factor in increasing the value of banking companies. GCG mechanisms such as independent commissioners, audit committees, and institutional ownership serve as oversight tools to minimize agency conflicts between management and shareholders. Astuti et al. (2022) stated that the effective implementation of GCG is able to enhance transparency, accountability, and investor confidence. The study by Ekasari et al. (2020) also shows that the implementation of Good Corporate Governance has a positive effect on company value.

Based on this description, this study aims to analyze the effect of Corporate Risk Disclosure and Good Corporate Governance on the value of banking companies listed on the Indonesia Stock Exchange for the 2022–2024 period.

OBJECTIVES

This study aims to obtain empirical evidence regarding the influence of Corporate Risk Disclosure and Good Corporate Governance mechanisms on the value of banking companies. Specifically, this study aims to: (1) analyze the effect of Corporate Risk Disclosure on firm value; (2) examine the effect of independent commissioners on firm value; (3) examine the effect of the audit committee on firm value; and (4) analyze the effect of institutional ownership on the value of banking companies listed on the Indonesia Stock Exchange.

LITERATURE REVIEW

Agency Theory

Agency theory explains the contractual relationship between the owners of a company (principals) and management (agents), which can potentially lead to conflicts of interest due to differing goals and information asymmetry. In the context of banking companies, agency conflicts can arise when management does not fully act in the interests of shareholders. Therefore, control mechanisms such as information disclosure and the implementation of Good Corporate Governance are needed to minimize such conflicts. Proper governance mechanisms are believed to enhance oversight of management and encourage the creation of optimal company value (Astuti et al., 2022).



Firm Value

The value of a company reflects investors' perceptions of the company's performance, prospects, and future risks. A high company value indicates a good level of investor confidence in the company. In this study, company value is proxied by Tobin's Q ratio because it can represent the market's assessment of the company's assets comprehensively. Darniaty & Murwaningsari (2022) stated that an increase in company value is closely related to information transparency and effective corporate management, especially in the banking sector, which has a high level of risk.

Good Corporate Governance

Good Corporate Governance is a system that organizes and controls a company to create a balance of interests between management, shareholders, and other stakeholders. The implementation of good GCG is expected to enhance the company's accountability and transparency, thereby increasing the company's value. Astuti et al. (2022) stated that GCG mechanisms such as independent commissioners, audit committees, and institutional ownership play an important role in improving oversight effectiveness and investor confidence. Research by Ekasari et al. (2020) also shows that the implementation of Good Corporate Governance has a positive effect on company value.

RESEARCH HYPOTHESIS**H1: Corporate Risk Disclosure has a positive effect on firm value.**

Corporate Risk Disclosure reflects the company's level of transparency in disclosing various risks faced in its operational activities. Adequate risk disclosure can reduce information asymmetry between management and investors, thereby increasing market trust in the company. Darniaty & Murwaningsari (2022) state that risk disclosure provides a positive signal to investors as it reflects management's readiness to handle uncertainty. Furthermore, Haj-Salem et al. (2020) found that Corporate Risk Disclosure has a positive effect on firm value because it can enhance the market's perception of the quality of corporate governance and risk management. Therefore, the higher the level of Corporate Risk Disclosure carried out by a company, the more likely the firm value will increase.

H2: Independent commissioners have a positive influence on firm value.

Independent commissioners act as an independent oversight mechanism on management performance to minimize agency conflicts. The presence of independent commissioners is expected to enhance the objectivity of decision-making and protect the interests of shareholders. Astuti et al. (2022) state that independent commissioners play an important role in improving the quality of supervision and corporate governance. Research



by Ekasari and Noegroho (2020) also shows that an adequate proportion of independent commissioners positively affects firm value.

H3: The audit committee has a positive effect on firm value.

The audit committee plays an important role in supporting the effectiveness of the board of commissioners' oversight, particularly in ensuring the quality of financial reporting and the company's internal control system. An effective audit committee can enhance the company's transparency and accountability, thereby increasing investor confidence. Astuti et al. (2022) stated that the presence of an adequate audit committee can improve the quality of corporate governance. In addition, Ekasari and Noegroho (2020) found that supervisory mechanisms through the audit committee have a positive effect on firm value.

H4: Institutional ownership has a positive effect on firm value.

Institutional ownership reflects share ownership by institutions that have the capability and resources to monitor management. High institutional ownership is believed to be able to curb opportunistic managerial behavior and improve company performance. Haj-Salem et al. (2020) stated that governance mechanisms, including institutional ownership, strengthen the influence of governance on firm value. Astuti et al. (2022) also showed that institutional ownership has a positive effect on firm value.

RESEARCH METHOD

This study uses a quantitative approach with an explanatory research method. The population of the study consists of all banking companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. Samples were selected using purposive sampling with specific criteria. The data used are secondary data obtained from the companies' annual reports and financial statements. Data analysis was conducted using multiple linear regression.

RESULTS

This section presents the results of data analysis obtained from statistical testing of the research variables. The analysis was conducted using multiple linear regression to examine the influence of Corporate Risk Disclosure and Good Corporate Governance mechanisms, proxied by independent commissioners, audit committees, and institutional ownership, on the value of banking companies. The subsequent test results are discussed to explain the relationships between variables and are related to theory and findings from previous research.



Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CRD	69	0,38	1,25	0,8460	0,26959
Independent commissioners	69	0,33	0,75	0,5400	0,12785
Audit Committee	69	3	7	4,41	1,518
Institutional Ownership	69	0,077	6,930	1,59018	1,263704
Nilai Perusahaan	69	0,053	88,238	3,45133	1,756676
Valid N (listwise)	69				

Source: Processed data 2025

Descriptive statistical results indicate that the Corporate Risk Disclosure (CRD) variable has a relatively high average value with data dispersed around the mean, suggesting a fairly good and relatively homogeneous level of banking risk disclosure. The variables of independent commissioners and audit committees also show low to moderate data variation, indicating that the corporate governance mechanisms in banks generally comply with regulatory requirements and are applied relatively uniformly. Meanwhile, institutional ownership shows more diverse variation across companies, reflecting differences in shareholding structures within the banking sector. The firm value, measured by Tobin's Q, shows variation among banks, illustrating differences in market perception regarding the performance and prospects of each banking company.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,038	1,107		1,841	0,070
	CRD	2,976	0,644	0,453	4,622	0,000
	Independent commissioners	2,799	1,361	0,202	2,056	0,044
	Audit Committee	0,454	0,115	0,389	3,957	0,000
	Institutional Ownership	0,156	0,077	0,199	2,016	0,048

The results in the table above indicate that:

- a. CRD has a significant positive effect on firm value (sig. 0.000 < 0.05), with the t-test result > t table being 4.622 > 1.667;
- b. Independent commissioners have a significant positive effect (sig. 0.044 < 0.05), with the t-test result > t table being 2.056 > 1.667;
- c. The audit committee has a significant positive effect (sig. 0.000 < 0.05), with the t-test result > t table being 3.957 > 1.667;
- d. Institutional ownership has a significant positive effect (sig. 0.048 < 0.05), with the t-test result > t table being 2.016 > 1.667;

Therefore, all hypotheses (H1–H4) are accepted.

DISCUSSION

The Effect of Corporate Risk Disclosure (CRD) on Company Value

The test results indicate that Corporate Risk Disclosure (CRD) has a positive and significant effect on the value of banking companies. This finding suggests that the more extensive the risk disclosure carried out by a company, the higher the investors' trust in the management's ability to manage risks, thereby impacting the increase in the company's value. These results support agency theory, which states that information transparency can reduce information asymmetry between management and shareholders. This research finding is in line with the results of studies by Astuti et al. (2022) and Nurmala Sari et al. (2025), which found that CRD has a significant positive effect on firm value.

The Influence of Independent Commissioners on Firm Value

Independent commissioners have been proven to have a significant positive impact on firm value, indicating that the presence of independent commissioners can enhance the effectiveness of management oversight and promote the implementation of better corporate governance. From the perspective of agency theory, independent commissioners serve as a control mechanism to minimize conflicts of interest. The results of this study are in line with the findings of Haj-Salem et al. (2020), Astuti et al. (2022), and Wahasusmiah (2022) which state that independent commissioners contribute positively to increasing firm value.

The Impact of the Audit Committee on Company Value

The audit committee also has a positive and significant impact on firm value. These findings indicate that an effective internal oversight function, particularly in maintaining the quality of financial reporting and compliance with regulations, can enhance investors' perception of the company. The presence of a strong audit committee can reduce agency costs and improve managerial accountability. These results are consistent with the studies by Haj-Salem et al. (2020), Nuryono et al. (2020), and Astuti et al. (2022), which demonstrate that the audit committee has a positive effect on firm value.



The Influence of Institutional Ownership on Firm Value

Institutional ownership has been proven to have a significant positive effect on firm value. This indicates that a high proportion of institutional ownership can enhance external oversight of management, thereby promoting improvements in company performance and transparency. These findings support agency theory, which views institutional investors as an effective monitoring mechanism. This research result aligns with the findings of Jullia & Finatariani (2024) as well as Nuryono et al. (2020), who stated that institutional ownership has a positive effect on firm value.

CONCLUSION AND SUGGESTIONS

This study concludes that Corporate Risk Disclosure and Good Corporate Governance have a significant positive effect on the value of banking companies in Indonesia. These findings emphasize the importance of risk transparency and the implementation of good corporate governance in enhancing company value.

Future research is recommended to include other variables such as profitability, leverage, or audit quality, as well as to expand the research subjects to other industrial sectors.

REFERENCES

- IAI. (2024). PSAK 107 Instrumen Keuangan: Pengungkapan. Jakarta: Ikatan Akuntan Indonesia.
- Astuti, P., Chomsatu, Y., & Astungkara, A. (2022). Corporate Social Responsibility, Corporate Governance, dan Corporate Risk Disclosure terhadap Nilai Perusahaan. *AFRE (Accounting and Financial Review)*, 5(1), 11–19. <https://doi.org/10.26905/afr.v5i1.7072>
- Darniaty, W. A., & Murwaningsari, E. (2022). Pengaruh Pengungkapan Risiko Terhadap Nilai Perusahaan Dengan Corporate Governance Sebagai Moderating. *Jurnal Ekonomi, Manajemen Dan Perbankan (Journal of Economics, Management and Banking)*, 6(1), 38. <https://doi.org/10.35384/jemp.v6i1.232>
- Ekasari, J. C., Andi, Y., & Noegroho, K. (2020). The Impact of Corporate Governance Implementation on Firm Value. 4(4), 553–560.
- Haj-Salem, I., Damak Ayadi, S., & Hussainey, K. (2020). The joint effect of corporate risk disclosure and corporate governance on firm value. *International Journal of Disclosure and Governance*, 17(2–3), 123–140. <https://doi.org/10.1057/s41310-020-00079-w>
- Jullia, M., & Finatariani, E. (2024). Pengaruh Pertumbuhan Perusahaan, Kepemilikan Manajerial dan Kepemilikan Institusional Terhadap Nilai Perusahaan. 4(3), 913–923.



- Nurmala Sari, Agus Seswandi, & Rizqa Anita. (2025). Pengaruh Corporate Risk Disclosure Terhadap Nilai Perusahaan Dan Variable Good Corporate Governance Sebagai Moderasi. Jurnal Daya Saing, 11(2), 131–137.
<https://doi.org/10.35446/dayasaing.v11i2.2147>
- Nuryono, M., Wijayanti, A., & Samrotun, Y. C. (2020). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Komisaris Independen, Komite Audit, Serta Kualitas Audit Pada Nilai perusahaan. Jurnal Ilmiah Edunomika, 03(01), 199–212.
- Wahasusmiah, R. (2022). Pengaruh Ukuran Perusahaan , Investment Opportunity Set , dan Corporate Governance terhadap Nilai Perusahaan dengan Kinerja Keuangan Sebagai Variabel Intervening pada Perusahaan LQ45. 21(1), 1–17.

