

ABSTRACT

In today's risk is no longer a novelty in the banking business. Risk is a condition that can threaten the survival of a bank. To avoid instability of the company, the Bank Indonesia has required the existence of risk management in the banking system. The shareholder is a party that has an important role in the banking sector because they are the source of funds for the company. Therefore, the management should be disclosure of the existing risk management in order to assist shareholders in making decisions regarding investments in the company.

This study aims to determine the effect of institutional ownership, company size, and independent board to disclosure of risk management either simultaneously or partial. This research is descriptive verification that is causality. The object of the research is the banking sector companies listed on the Indonesia Stock Exchange 2011-2015.

Mechanical sample selection using purposive sampling and acquired 30 banks with 5 years in order to get 150 samples were observed. Model analysis of the data in this study using panel data regression analysis using software Eviews 9.0.

From this study, the result of a combination of independent variables namely institutional ownership, company size, dandewan independent directors are able to explain the variation of the dependent variable is the disclosure of risk management amounted to 21.3388% 78.6612% and the rest is explained by other factors were not involved in this model.

The results also showed simultaneously independent variables are institutional ownership, company size, and independent board significant influence on the disclosure of risk management. From the test results obtained partial results showing a significant effect of institutional ownership variable with a positive direction on the disclosure of risk management. While the variable size of the company and independent board had no significant effect on the disclosure of risk management.

Keywords: Institutional Ownership, Company Size, Independent Commissioner Board, Risk Management Disclosures