The Moderating Role of Risk Monitoring Committee on the Effect of Risk Disclosure on Financial Performance in Islamic Banks

Laely Aghe Africa[1] and Dian Agustia[2]

Abstract
This study examines the impact of risk disclosure on the financial performance of Indonesian Islamic banks and the ability of the Risk Monitoring Committee to moderate them. Quantitative research. OJK regulations in 2014 limited the selection of samples of Islamic banks so that the sample used is 72 Islamic banks in Indonesia from 2014 to 2021. These measures were calculated using the Statistical Package for the Social Sciences (SPSS 20) software SPSS tool (Statistical Package for the Social Sciences). The variables used are the dependent variable (ROE), independent variable (RD), moderating variable (RMC), and control variables (FDR, NPF, and CAR ratios). The findings show that the lower the risk disclosure, the lower the risks the bank faces and the higher it is financial performance. The existence of a risk monitoring committee can moderate the impact of risk disclosure on financial performance. Future research is expected to be able to compare Islamic and conventional commercial banks by adding variations and increasing the number of samples. Additional research can determine whether the findings of this study apply to Islamic banks in other countries. This research is beneficial for banking decision-makers because the completeness and risk assessment are always under the supervision of the risk disclosure committee. This study also adds novelty to the measurement of risk disclosure by utilizing the average inherent risk value.

Keywords: Risk Disclosure, Risk Monitoring Committee, Financial Performance, Islamic Bank

JEL: E50

[1] PhD Candidate, Department of Accounting, Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia and Lecturer, Department of Accounting, Faculty of Economics and Business, Universitas Hayam Wuruk Perbanas, Surabaya, Indonesia
[2] Department of Accounting, Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia

1. Introduction

The enhanced performance of Islamic banking serves as a model for investors looking to invest their money. The greater the value of a company's financial performance, particularly Islamic banking, the better its financial condition and the greater its defense from bankruptcy. Financial ratios, such as ROE, ROA, and Net Interest Margin (hereinafter abbreviated NIM), are typically used to present performance-related measurements. In this case, several factors, both internal and external, have a significant impact on performance. Internal factors that can be controlled by management have an impact both directly and indirectly. Haddad & Alali (2022) state a positive and significant relationship exists between risk disclosure and the two financial performance models of ROA and ROE.

Past studies have shown that complete risk disclosure information can improve the performance of Islamic banking companies. The risk profile report contains information about whether or not the information presented in the risk disclosure is complete and about the high and low-risk assessment categories for each type of risk required by the Financial Service Authority (hereinafter abbreviated OJK). Risk disclosure that must be presented by Islamic banking based on OJK Regulation OJK No. 8 2014 concerning the Assessment of the Soundness Level of Islamic Commercial Banks and Islamic Business Units, the number of risks that must be reported is ten risks including Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Reputation Risk, Compliance Risk, Yield Risk, and Investment Risk. Compared to Islamic Banking, Conventional Banking presents no more than eight risks other than Return Risk and Investment Risk.

The lack of existing research on the impact of risk disclosure on financial performance is the guiding factor behind this study. The role of the risk monitoring committee as a moderator on the impact of risk disclosure on financial performance needs to be examined empirically. Therefore, the goal of this study is to add to the body of literature on risk disclosure measurement that takes into account the value of inherent risk, specifically the risk associated with each risk category, which ranges from low (category 1) to moderate (category 2) to moderate (category 3), moderate to high (category 4), or high (category 5). Also, it provides insightful information for banking practitioners and policymakers regarding the terms, conditions, and amount of the risk monitoring committee because the completeness of risk disclosure is inextricably linked to the supervision of the risk monitoring committee. Thus, the problem formulation can be defined as follows: (1) does risk disclosure affect financial performance (ROE)? Furthermore, (2) can the risk monitoring committee moderate the effect of risk disclosure on financial performance (ROE)? This research is also expected to contribute to: 1.) Investors and customers: in terms of assessing banking performance in more depth so that the funds owned have good management tension. 2.) Sharia Banking Industry: in terms of maintaining and improving financial performance from a Risk Disclosure point of view reviewed based on the Risk Monitoring Committee's moderating effect. 3.) For the Government: in terms of determining banking policies that are comprehensive to various parties and have fair value.

2. Background

Islamic Financial Services Industry Stability Report (2021). Total assets of Islamic banking globally reached 68.2% at the end of 2020, far higher than Islamic insurance, which only reached 0.9%. In comparison, the Islamic capital market goes half of the percentage of Islamic banking, as much as 30.9%. On the other hand, based on data from the Islamic Financial Services Industry Stability Report 2021 in several countries that are members of The Gulf Cooperation Council, takaful contributions have touched the figure of 12.3 billion

USD, far higher than Africa, which only reached 0.6 billion USD. Meanwhile, Middle East and South Asia, Southeast Asia, and also other countries, including Turkey, only contributed as much as USD 5.5 billion, USD 4.1 billion, and USD 0.6 billion, respectively. Islamic banking assets in Indonesia still reach 2.1 billion compared to other countries. This percentage is smaller compared to neighboring Malaysia, which reached 11.4% at the end of 2020. Starting with a market share of 5.57% in Q3 2017, now Islamic banking has advanced 6.52% in Q3 2021. The journey of Islamic banking to increase market share is enough to go through many challenges to affect financial performance representation. This research aims to explore banks' management of risks that intersect with financial performance.

The presentation of complete risk disclosure can give Islamic banking a competitive advantage over conventional banking, which is a compelling reason to maintain completeness in presenting financial statement information. That could be a phenomenon in which Islamic Banking has been trying to improve its performance to attract investors and creditors, one of which is fully reporting the risks. Inherent risk is the risk associated with each risk category, which includes low (category 1), low to moderate (category 2), moderate (category 3), moderate to high (category 4), or high (category 5). The phenomenon encountered by Islamic banking is the competitiveness of banking business continuity compared to conventional banking, so Islamic banking must create efforts to improve performance. One of the efforts is to comply with the laws and regulations of the OJK and Bank Indonesia regarding Islamic Commercial Banks and Islamic Business Units, which includes complying with standard risk profile reporting rules that contain the risks that exist in Islamic banking, as well as an assessment that is presented comprehensively in the form inherent risk category for each type of risk and the average of inherent risk.

Elamer & Abodu (2017) asserts that risk management disclosure will be more significant in countries with a high National Governance Quality (NGQ), indicating the significance of risk disclosure in each banking institution. Guthrie et al. (2020) show how important the position is in risk management. This study uses the risk monitoring committee as the party that oversees the risks in banking. Rastogi & Kanoujiya (2022) show that disclosure has no impact on the performance of banks in India. The reason is that disclosure and performance are different activities that serve different purposes. Grassa et al. (2020) show a positive relationship between credit rating and risk disclosure for conventional and Islamic banks. Farooqi & O'Brien (2019) conducted a comparative study of Islamic versus conventional banking related to which sectors have the potential to experience banking risks and found that market-based measures are indicators in that sector. It can be used as a reference for Indonesia concerning the risks Indonesian banks face. Ferri et al**.** (2021) show a positive relationship between the availability and completeness of risk disclosure, the more available the information, the better the completeness of risk disclosure. Ellili & Nobanee (2017) found that risk disclosure does not affect company performance Bank. Kassamany et al. (2021) show a negative effect of risk disclosure practices on financial performance, and this study uses a sample of British and Canadian insurance companies.

Haddad & Alali (2022) assert that Risk Disclosure has a significant positive correlation with both financial performance models (ROA and ROE). Abdallah & Bahloul (2021) state that a negative relationship exists between disclosure and performance at Islamic banks. Jallali & Zoghlami (2022) agrees that governance thoroughly explains the corporate governance-performance relationship at the bank. However, risk governance partially explains the relationship between risk management and bank performance, indicating that internal corporate governance mechanisms appear more relevant than external ones in enhancing bank performance and risk management mechanisms. Hidayat et al. (2021) found no differences between conventional and Islamic banking regarding risk, efficiency, or company performance. Oino (2019) states that greater disclosure and transparency, increased

auditing and compliance, and better risk management positively affect the financial performance of financial institutions. According to Bailey (2019), a strong relationship exists between the chief risk officer and financial performance (ROA). Oyewo (2022) discovered that risk management improves the performance of Islamic banks. Harb et al. (2022) revealed that risk management does not affect financial performance. Adelopo (2017) found that it is imperative to detect warning signals for companies at risk of bankruptcy. In this case, the role of risk management is significant in maintaining company stability. Gopalan (2022) shows how important the position is in risk management and, in this study, uses the risk monitoring committee as the party that oversees the risks in banking. Qureshi & Lamarque (2022) found that solid risk control and supervision by a robust chief risk officer reduced the bank's credit risk. Aldhamari et al. (2020) show that the Risk Committee has a positive relationship with financial and market performance. Bhuiyan et al. (2020) found that decreased corporate risk-taking affects firms with independent risk committees compared to firms with joint audit and risk committees. Moreover, it was also found that an independent risk committee is positively related to firm value. Musallam (2020) found a positive influence of board ownership, board independence, audit committee meetings, size, audit committee financial expertise, and risk management on firm performance.

Islamic banking's efforts to provide risk disclosure information to financial statement users come in the form of an explanation of the risks contained in the annual report and presented in categories of inherent risk, whether the risk is low, low to moderate, moderate, moderate to high, or high. The more comprehensive the risk disclosure presented, the better the information obtained, and investors will continue to invest their funds and potential investors, thereby indirectly improving financial performance. The linkage with the risk monitoring committee is that the more complete the risk monitoring committee, the more complete the risk disclosure and the risks faced by Islamic banks, which are categorized as low because the risk monitoring committee supervises them. Moreover, the performance of Islamic banking will improve. This argument is supported by Signaling Theory, which defines signaling theory as an action taken by company management that instructs investors on how management views the company's prospects (Brigham & Houstom, 2019, p. 500). The better the information investors and potential investors receive regarding complete risk disclosure and the level of inherent risk in banking, the more likely investors and potential investors will invest their funds.

3 Theoretical Literature Review

Signaling Theory

Despite the relevance of all the mentioned theories to our current study, we decided to choose signaling theory. Signaling theory examines an action taken by company management as a signal that provides investors with guidance on how management views the company's prospects. This theory explains why companies are urged to convey or provide information related to the company's financial statements to external parties. The urge to submit or provide information related to financial reports to external parties is based on the existence of information asymmetry between company management and external parties (Bergh et al., 2014). as we see that it works to involve the stakeholders in firm performance assessment and interpretation of the drivers and relationships between risk disclosure, risk management disclosure and company performance (Tabash, 2019; Dey et al., 2018). Due to the division between ownership and management, there is information asymmetry between internal and external parties. Both internal and external parties are impacted by information asymmetry. External parties' decisions would be affected if they had insufficient information. The issue of information asymmetry also affects investors' ability to judge managers' performance when

they perform at their highest levels, which has a detrimental impact on investors' opinions and, ultimately, company value. Spence (1973) refers to the solution to the information asymmetry problem as signalling theory. The three ideas that make up the signalling theory are sender, receiver, and signal. By doing certain activities, the sender communicates information about its quality to the receiver, according to the principle of signalling (Connelly et al., 2011).

Stakeholders are informed that risk management policies, processes, and information are reliable via the development of a solid RMC framework. Additionally, the risk management committee's good design represents the company's efforts to control risks and therefore safeguard the interests of shareholders (Liebenberg & Hoyt, 2003). Conversely, disclosures provide signals about the company's effectiveness, efforts, and enthusiasm for sharing information that will benefit stakeholders. To make wise judgments about investments, funding, and other matters, stakeholders want accurate and timely information. Any business concerned with its expansion and continuity wants to keep investors' trust by giving them the information they require. Thus, risk knowledge is crucial when investors decide what investments to make. Quality risk disclosures are a signal that enhances the company's reputation and builds confidence with investors, eventually improving the firm's value (Bravo, 2017; Basoglu & Hess, 2014).

Signaling theory refers to a company's management action that informs investors about how management views the company's prospects (Brigham & Houstom, 2019, p. 500). The better the information investors and potential investors receive regarding complete risk disclosure and the level of inherent risk in banking, the more investors' intentions will be influenced. With a positive signal, investors and potential investors will invest their funds. Investors can assess each risk in banking and the results of each risk's score or category in detail. The profitability ratio, namely Return on Equity (ROE), measures a company's ability to generate profits from assets. ROE is used as an indicator to determine a company's performance level. ROE is calculated by dividing net income by the average total assets and multiplying the result by 100%. Risk disclosure, the final value of measuring inherent risk, includes low (category 1), low to moderate (category 2), moderate (category 3), moderate to high (category 4), and high (category 5). The lower the risk at number 1 (low), the lower the risk a bank faces. The lower the risk, the better the banking condition.

4. Empirical literature review and hypotheses development

4.1 Risk Disclosure on Financial Performance

RD studies by Dey et al. (2018) and Solomon et al. (2000) stated that risk disclosures and their management became an urgent requirement to improve the quality of the financial statements and performance indicators, therefore, enhancing the stakeholders' abilities to estimate future cash flows. Further, it has been noted from previous literature that risk disclosure supports both agency theory and information asymmetry (Elshandidy et al., 2013; Vandemaele et al., 2009; Abraham & Cox, 2007; Lopes & Rodrigues, 2007) as it plays a significant role to decrease agency conflicts; this culminates in reducing information inconsistencies between the parties. However, business management might decide to report some risk factors and their expected impacts to signal its efficiency and capability to handle risks, to differentiate itself from other corporates and achieve a competitive advantage, which might lead to an improved reputation (market share) and therefore growing profitability, which is known as signal theory. Oluwagbemiga, Isaiah, and Esiemogie (2014) confirmed that the operational, financial and strategic risks disclosure could help stakeholders in interpreting the performance indicators of listed companies in Nigeria.

The concept of risk disclosure is not new, but it has prompted renewed interest among researchers, standards-setting bodies, and other institutions after the global financial crisis (Ryan, 2012). After the global financial crisis, which revealed deficiencies in risk disclosures, regulatory bodies put great efforts into improving the quality of financial reports by strengthening risk disclosure requirements, for example, by issuing IFRS 7 and IFRS 9. In addition, adequate and high-quality RD practices have several advantages to firms and stakeholders. Stakeholders rely on risk information to build a comprehensive picture of the firm's current and future status.

The existing risks in Islamic banks' standards that have been regulated in OJK Regulations SOJK No. 8 2014 concerning Assessment of the Soundness Level of Islamic Commercial Banks and Sharia Business Units, with the final result in the form of inherent risk a measure of risk disclosure, which is presented in the annual financial reports of Islamic banking which is indicated by five categories, namely: low (category 1), low to moderate (category 2), moderate (category 3), moderate to high (category 4), and high (category 5). The lower the category achieved by Islamic banking, the lower the risk owned by Islamic banking, and ultimately can give a positive signal to investors and potential investors to invest their capital and can improve financial performance. So, the lower the RD (risk disclosure) category, the higher the ROE. That is supported by Brigham & Houstom (2019), who assert that signal theory relates to company management action that informs investors about how management views the company's prospects. This theory is implied in this study, in which the company sends a positive signal to investors or potential investors that the risks associated with Islamic banking are very low.

Haddad & Alali (2022) state that a significant positive relationship exists between risk disclosure and the two financial performance models (ROA and ROE). Jallali & Zoghlami (2022) states that governance thoroughly explains the corporate governance-bank performance relationship. However, risk governance will partially explain the bank's risk-performance management relationship and shows that internal corporate governance mechanisms appear more relevant than external ones in improving bank performance and risk management mechanisms. Hidayat et al. (2021) found no difference between conventional and Islamic banking regarding risk, efficiency, or company performance. Elamer & Abodu (2017) asserts that risk management disclosure will be more significant in countries with a high National Governance Quality (NGQ), indicating the significance of risk disclosure in each banking institute. Nahar & Azim (2021) disclosed that the company's management risk disclosure is still low. Reasons for non-disclosure can be related to institutional weaknesses, lack of disciplinary action, and political interference. Kassamany et al. (2021) show a negative effect of risk disclosure practices on financial performance, and this study uses a sample of British and Canadian insurance companies. Grassa et al. (2020) show a positive relationship between credit rating and risk disclosure for conventional and Islamic banks. Farooqi & O'Brien (2019) conducted a comparative study of Islamic versus conventional banking related to which sectors have the potential to experience banking risks and found that market-based measures are indicators in that sector. That can be used as a reference for Indonesia concerning the risks Indonesian banks face. Ellili & Nobanee (2017) found that risk disclosure does not affect company performance Bank.

The preceding explanation leads to the conclusion that risk disclosure impacts financial performance. The Financing to Deposit Ratio (FDR) measures how banks can channel credit from total third-party funds. The formula for calculating the FDR is the total credit divided by the total TPF (Third Party Funds) multiplied by 100%. Demand deposits, savings deposits, time deposits, and certificates of deposit are all examples of third-party funds. Virgana et al. (2019) agree that FDR affects ROA. It is similar to the research by Thinh (2022) that showed LDR positively affects performance. Also, Gazi et al. (2021) agree that LDR positively affects performance. Non-Performing Loan (NPF) is a ratio that measures the portion of non-performing loans compared to total loans

multiplied by 100%. Virgana et al. (2019) agree that NPF affects ROA**.** CAR (Capital to Adequacy Ratio) is a ratio used to describe the adequacy of capital available to banks to accommodate the risk of loss. The higher the CAR value, the more capable the bank of bearing the risk of risky productive assets or loans. Virgana et al. (2019) agree that FDR positively affects ROA. In developing the hypothesis based on the previous description, the first hypothesis development is:
H1: Risk disclosure affects financial performance.

4.2 The Risk Monitoring Committee Can Moderate The Effect of Risk Disclosure on Financial Performance

The existence of a risk monitoring committee is expected to moderate the effect of risk disclosure on financial performance. Because one of the tasks of the risk monitoring committee is to oversee the risk profile and risks in banking, this is supported by the theory stated by Brigham dan Houstom (2019) that signal theory is an action taken by company management that provides instructions to investors about how management views the company's prospects. The theory is implied in this study where the company will give a positive signal to investors or potential investors that the risk faced by Islamic banking is shallow. The risk monitoring committee is one of the variables that can strengthen the relationship between risk disclosure and financial performance.

Although there is evidence regarding the positive relationship between risk management and firm performance, other studies confirmed the absence and weakness of the relationship. For example, Agustina and Baroroh (2016) examined the mediation effect of financial performance on the relationship between RM and firm value, and they found that RM has no significant impact on firm value and profitability. Also, the analysis confirmed the insignificant mediation effect of financial performance. They suggest further research to examine RM implementation from other perspectives, which can lead to different results.

Risk information places various expenses and problems on businesses. Risk data frequently has commercial sensitivity (Linsley & Shrives, 2006). As a result, it can be terrible news for the reader rather than seen as a testament to the firm's competence and risk management skills (Düsterhöft et al., 2020). On the other hand, shareholders often want information on potential risks. In addition, revealing future incorrect risk information exposes the company to issues with responsibility and legitimacy (Linsley & Shrives, 2006; Onoja & Agada, 2015). Despite the fact that the risk disclosure rules must be followed, businesses may also control the format and substance of the disclosure. As a result, disclosure strategies can be used to meet official obligations without providing a significant amount of information (Düsterhöft et al., 2020). Therefore, tightening statutory risk requirements does not necessarily translate into higher-quality risk disclosure (Grassa et al., 2020).

According to Bailey (2019), a strong relationship exists between the chief risk officer and financial performance (ROA). Oyewo (2022) explains that risk management positively affects the performance of Islamic banks. Harb et al. (2022) revealed that risk management does not affect financial performance. Qureshi & Lamarque (2022) found that solid risk control and supervision by a robust chief risk officer reduced the bank's credit risk. Adelopo (2017) found that detecting warning signals for companies at risk of bankruptcy is crucial. In this case, the role of risk management is crucial in maintaining company stability. Gopalan (2022) states how important the position is in risk management and, in this study, uses the risk monitoring committee as the party that oversees the risks in banking. Aldhamari et al. (2020) reveal that the Risk Committee has a positive relationship with financial and market performance. Bhuiyan et al. (2020) show that decreased corporate risk-taking affects firms with independent risk committees compared to firms with joint audit and risk committees.

Moreover, it was also found that an independent risk committee is positively related to firm value. Musallam (2020) found a positive influence of board ownership, board independence, audit committee meetings, size, audit committee financial expertise, and risk management on firm performance**.** The conclusion from the previous explanation is that the lower the category of risk disclosure, the better. That is because the risks Islamic banking faces are minimal and will improve the financial performance of banking companies. In addition, the contribution of the risk monitoring committee is expected to be a moderating variable on the effect of risk disclosure on financial performance. The Financing to Deposit Ratio (FDR) measures how banks can channel credit from total third-party funds. The formula for calculating the FDR is the total credit divided by the total TPF (Third Party Funds) multiplied by 100%. Demand deposits, savings deposits, time deposits, and certificates of deposit are all examples of third-party funds. Virgana et al. (2019) agree that FDR affects ROA. It is similar to the research by Thinh (2022) that showed LDR positively affects performance. Also, Gazi et al. (2021) agree that LDR positively affects performance. Non-Performing Loan (NPF) is a ratio that measures the portion of non-performing loans compared to total loans multiplied by 100%. Virgana et al. (2019) agree that FDR affects ROA**.** CAR (Capital to Adequacy Ratio) is a ratio used to describe the adequacy of capital available to banks to accommodate the risk of loss. The higher the CAR value, the more capable the bank of bearing the risk of risky productive assets or loans. Virgana et al. (2019) agree that FDR positively affects ROA. Based on the previous description, the development of the second hypothesis is as follows:

H2 The risk monitoring committee can moderate the disclosure of risks to financial performance.

5. Research Design

This study used financial statement data for Islamic banks in Indonesia that are still active and published on the Indonesian stock exchange (www.idx.go.id) and have yet to experience acquisitions, mergers, or liquidations, which are stated in the published financial statements. The research data is secondary data that uses a purposive sampling method. The variables of this study are explained by: 1. The dependent variable: financial performance. 2.) Independent variable: Risk Disclosure. 3.) Moderating variable: Risk Monitoring Committee. In total, there are currently 72 Islamic banks that will be used for this research, with a period starting from 2014 to 2021. Descriptive statistics such as mode, median, mean, standard deviation, etc., were used to perform data analysis. These measures were calculated using the Statistical Package for the Social Sciences (SPSS 20) software SPSS tool (Statistical Package for the Social Sciences) was used to organize and analyze data. This is because it is user-friendly and gives all the possible analyses. MRA (Moderated Regressions Analysis) is a technical test that determines whether the alleged variables can moderate the effect of the independent variable on the dependent variable.

6. Empirical Results and Discussion

The results of Table 1 shows that some descriptive analysis data is obtained for the minimum ROE of -94.01 (in percentage) and a maximum of 36.50 (in percentage), while the average ROE is at 3.28. A negative value on the financial performance variable measured by ROE indicates that one Islamic bank has experienced significant losses. However, the majority of Islamic banking is above the average value. The average risk disclosure value is in category 2, indicating a low to moderate level, implying that the risks faced by Islamic banking in Indonesia from 2014 to 2021 are relatively low. The lower the inherent risk value, the better. In other words, Islamic banking is financially stable. The lowest risk disclosure value is 1,

which means low, and the highest is 4, which means moderate to high, with the average Islamic banking being at or below number 2.

Meanwhile, the average risk monitoring committee is 69.9 (in percentage), indicating that not all Islamic banks have met the recommended number of risk monitoring committees. What is required is 3, with the provision that one person as chairman and member of the board of commissioners, one independent member who is proficient in sharia, and one independent member who is proficient in risk management.

Table 1: Descriptive Analysis Result

	N Statistic	Min	Max	Mean	Std. Dev.
ROE	72	-94,01	36,5	3,28	19,59498
RD	72	1,00	4,00	2,1	0,76094
RMC	72	33,33	100,00	69,9	21,05193

Table 2 describes the correlations between the variables used in the study. The results of the correlation analysis using the Pearson test tool, which aims to measure the strength or linear association between two variables, Ghozali (2001:95) and does not differentiate between the dependent and independent variables. Table 2 reveals a relationship or Correlation between variables with a significant value below 0.01 (**) and 0.05 (*).

Table 2: Correlation Analysis Results

		ROE	RD	FDR	NPF	CAR
ROE	Pearson Correlation Sign (2-tailed)	1	-.405**	-.156	.484**	.331**
				.192	.000	.004
RD	Pearson Correlation Sign (2-tailed)		.000	.258*	.354**	-0.216
				.029	.002	.068
FDR	Pearson Correlation Sign (2-tailed)	-.405**	1	1	.354**	.027
				-.345	.002	.821
NPF	Pearson Correlation Sign (2-tailed)	.000		.003	.003	-.489**
					1	.000
CAR	Pearson Correlation Sign (2-tailed)	-.156	.258*	1	-.489**	1
					.000	

Note: ** Correlation is significant at the 0.01 level (2-tailed)
 * Correlation is significant at the 0.05 level (2-tailed)

According to Table 3, the Beta value is -6,874 with a significance of 0.019, indicating that risk disclosure affects financial performance as measured by (ROE). The first hypothesis is supported by higher financial performance and lower risk disclosure. The lower the category achieved by Islamic banking, the lower the risk owned by it.

Table 3: Result of H1

Model	Unstandardized B	Std. Error	t	Sig.
Constant	18.435	12.093	1.524	.132
RD	-6.874	2.849	-2.413	.019*
FDR	.035	.128	.276	.748
NPF	-3.351	1.252	-2.677	.009*
CAR	.207	.246	.101	.403

Note: * indicates significance at the 5%

The results from Table 4 show that the unstandardized coefficients for risk disclosure are 23,123, with a significance of 0.008. The value of unstandardized coefficients for the risk monitoring committee is 0.770, with a significance value of 0.003, and the value of unstandardized coefficients for RDMRC (the new variable resulting from the interaction between RD and RMC) is -.398, with a significance value of 0.000. The value of α2 was obtained from the RMC (risk monitoring committee), while α3 was obtained from the RDRMC. The conclusion obtained is that the risk monitoring committee variable can moderate the Quasi Moderation category because the values of α2 and α3 are equally significant and based on Sharma (1981), if there is an interaction between the moderator variable and the predictor variable at the same time there is a relationship between the moderator variable and the criterion or dependent variable. The type of moderation that is formed is Quasi Moderation.

Table 4: Result of H2

Model	Unstandardized B	Std. Error	t	Sig.
Constant	-34.274	19.795	-1.731	.088
RD	23.123	8.394	2.755	.008*
RMC	.770	.247	3.122	.003
RDRMC	-.398	.107	-3.715	.000
FDR	.012	.120	.097	.923
NPF	-3.202	1.152	-2.779	.007*
CAR	.170	.226	.748	.457

Note: * indicates significance at the 5%

In the second equation, the results of β2 are positive signs, and β3 are negative significant, indicating that risk disclosure positively affects financial performance, where the higher the risk value of risk disclosure will improve financial performance. This increase will be weakened by the existence of a risk monitoring committee because the higher the value of risk disclosure, the less good it will be for the company's long-term condition, both in terms of financial performance and related to banking financial reports. Therefore, the risk monitoring committee will be more stringent in monitoring related to the risks faced by banks.

The study results show that risk disclosure is significant in financial performance measured by ROE. The lower the risk disclosure, the higher the ROE, and finally can support the first hypothesis. The first hypothesis uses control variables, and it is found that the NPF variable affects ROE, while the FDR and CAR variables do not affect ROE. However, based on the test results stated that the variables RD, FDR, NPF and CAR jointly affect the dependent variable. The three control variables refer to several studies as follows: R. A. E. Virganaa, et.al (2019) states that FDR has a negative effect on financial performance (ROA), research from Thinh (2022) found that LDR has a positive effect on financial performance (ROA) . Meanwhile, Abu Issa (2021) states that LDR has a positive effect on financial performance. (ROA) . R. A. E. Virganaa, et.al (2019) state that NPF has a negative effect on financial performance (ROA). R. A. E. Virganaa, et.al (2019) state that FDR has a positive effect on financial performance (ROA). The results show that only one control variable supports previous research, namely NPF and supports research by R. A. E. Virganaa, et.al (2019). The lower the category achieved by Islamic banking means the lower the risk that Islamic banking has, which in turn can provide a positive signal to investors and potential investors to invest their capital and can improve financial performance. So, the lower the risk disclosure category, the higher the financial performance. The influence of the risk monitoring committee on financial performance was strengthened by previous researchers,

namely Haddad & Alali (2022), who state a significant positive relationship between risk disclosure and the two models of financial performance (ROA and ROE). Elamer & Abodu (2017) assets that risk management disclosure will be more significant in countries with a high National Governance Quality (NGQ), indicating the significance of risk disclosure in each banking institute.

According to Jallali & Zoghlami (2022), governance thoroughly explains the corporate governance-bank performance relationship. In contrast, risk governance partially explains the bank's risk-performance management relationship. It demonstrates that internal corporate governance mechanisms appear more relevant than external ones in improving bank performance and risk management mechanisms. According to Hidayat et al. (2021), conventional and Islamic banking are the same regarding risk, efficiency, and company performance. The preceding explanation leads to the conclusion that risk disclosure impacts financial performance. Rastogi & Kanoujiya (2022) Reveals that disclosure has no impact on the performance of banks in India. The reason is that disclosure and performance are different activities that serve different purposes. Nahar & Azim (2021) disclosed that the company's management risk disclosure is still low. Reasons for non-disclosure can be related to institutional weaknesses, lack of disciplinary action, and political interference. Kassamany et al. (2021) show a negative effect of risk disclosure practices on financial performance, and this study uses a sample of British and Canadian insurance companies.

Grassa et al. (2020) show a positive relationship between credit rating and risk disclosure for conventional and Islamic banks. Farooqi & O'Brien (2019) conducted a comparative study of Islamic versus conventional banking related to which sectors have the potential to experience banking risks and found that market-based measures are indicators in that sector. That can be used as a reference for Indonesia concerning the risks Indonesian banks face. Jizi & Dixon (2016) show that investors can assess disclosures that appear to be fraudulent management risk disclosure. Malafronte et al. (2017) show that a higher RDII contributes to higher volatility, suggesting that "less is better" than "better". Guthrie et al. (2020) show how important the position is in risk management. This study uses the risk monitoring committee as the party overseeing the risks in banking. Musallam (2020) found that the quality of risk disclosure in Tunisian companies is relatively low. Sari et al. (2017) results of the study show that risk management has a positive effect on performance.

The risk monitoring committee can moderate the impact of risk disclosure on financial performance and thus support the second hypothesis. The first hypothesis uses control variables, and it is found that the NPF variable affects ROE, while the FDR and CAR variables do not affect ROE. The test results state that the variables RD, RMC, RDRMC, FDR, NPF and CAR jointly affect the dependent variable (ROE). The three control variables refer to several studies as follows: R. A. E. Virganaa, et.al (2019) state that FDR has a negative effect on financial performance (ROA), research from Thinh (2022) found that LDR has a positive effect on financial performance (ROA). Meanwhile, Abu Issa (2021) states that LDR has a positive effect on financial performance. (ROA). R. A. E. Virganaa, et.al (2019) state that NPF has a negative effect on financial performance (ROA). R. A. E. Virganaa, et.al (2019) state that FDR has a positive effect on financial performance (ROA). The results show that only one control variable supports previous research, namely NPF and supports research by R. A. E. Virganaa, et.al (2019). Based on statistical results, the risk monitoring committee becomes the moderating variable in the Quasi Moderation category, where the results of β_2 are significantly positive and β_3 significantly negative. According to the second equation, risk disclosure positively affects financial performance, with a higher risk value of risk disclosure improving financial performance. This increase will be weakened by the risk monitoring committee because the higher the value of risk disclosure, the less good it will be for the company's long-term condition, both in terms of financial performance and related to banking

financial reports. As a result, the risk monitoring committee will be more stringent in supervising banks' risks. The value of risk disclosure is expected to decline because of a weakened risk monitoring committee.

7. Summary and Conclusions

Furthermore, the study's findings show that, besides being a moderating variable, the risk monitoring committee is an independent variable that influences financial performance. Previous researchers, such as Bailey (2019), believe a strong relationship exists between the chief risk officer and financial performance, bolstering the influence of the risk monitoring committee on financial performance (ROA). Oyewo (2022) also states that risk management improves the performance of Islamic banks. Meanwhile, this study's use of the risk monitoring committee variable to moderate the effect of risk disclosure on financial performance is entirely new. Harb et al. (2022) revealed that risk management does not affect financial performance. Anum et al. (2022) found that solid risk control and supervision by a robust chief risk officer reduced the bank's credit risk**.** Adelopo (2017) found that detecting warning signals for companies at risk of bankruptcy is crucial. In this case, the role of risk management is crucial in maintaining company stability. Gopalan (2022) shows how important the position is in risk management. This study uses the risk monitoring committee as the party that oversees the risks in banking. Azevedo et al. (2022) findings show that banks can easily use risk management skills and minimally use risk reporting to provide relevant information by legitimacy theory. Aldhamari et al. (2020) reveal that the Risk Committee has a positive relationship with financial and market performance. Bhuiyan et al. (2020) found that decreased corporate risk-taking affects firms with independent risk committees compared to firms with joint audit and risk committees. Furthermore, it was also found that an independent risk committee is positively related to firm value. Musallam (2020) found a positive influence of board ownership, board independence, audit committee meetings, size, audit committee financial expertise, and risk management on firm performance.

Finally, the researcher investigated whether risk disclosure affects financial performance as measured by ROE and whether risk monitoring committees can moderate the impact of risk disclosure on financial performance. The findings of this study revealed that risk disclosure affects financial performance. That implies that the greater the value of financial performance, the lower the value of risk disclosure. This study's proxy for variable risk disclosure empirically demonstrates that the lower the value of risk disclosure indicates the lower the inherent risk of banking, which includes credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, reputation risk, risk compliance, return risk, and investment risk. The lower the existing risk, the greater the desire to invest, which can indirectly improve banking performance. The following risk disclosure variable measurements are considered novel in this study: low (category 1), low to moderate (category 2), moderate (category 3), moderate to high (category 4), and high (category 5).

This study proved the risk monitoring committee's role as a moderator in the effect of risk disclosure on financial performance. According to the findings, the variable risk monitoring committee can moderate the impact of risk disclosure on financial performance. The study's limitation is that the sample is relatively small because it is limited to the period when Islamic banking began to report entire inherent risk, which started in 2014, while Islamic banking was established in 2009. That explains why the descriptive analysis given needs to be revised. Suggestion: Future research should be able to add samples from conventional banking and compare them to Islamic banking, as well as add variations to research models that determine whether to use mediation with the same or different variables. Furthermore, it is hoped that additional research will be known to determine whether the findings of this study can be generalized to the rules used in several other countries that have

Islamic banking.

The findings contribute to the literature on risk disclosure and financial performance and provide valuable insights for banking practitioners and regulators on the terms, conditions, and number of risk monitoring committees. It is because the risk monitoring committee's supervision is inextricably linked to the completeness of risk disclosure. The banking industry can become a standard in economic processes in all nations since, in a broad commercial context, banks are required to conduct business processes, both in terms of depositing funds for entrepreneurs and financing up to the point of financing. The policies governing the risk monitoring committee are determined by the policies of each country's businesses, which determine whether to utilize one or two tiers. Despite each bank having a risk monitoring committee to oversee the disclosure of risks, banks in the ASIA area still require this policy to establish good corporate governance. Sharia banking in ASIA predominates among ASEAN countries; of the 48 countries in ASIA, 11 are in the ASEAN region and have the most Islamic bank companies. The penetration of international banking is inextricably linked to the high financial sector throughout the ASIA area because the high performance obtained is vital and necessitates good analysis and disclosure of the challenges faced by banks. The risks faced by banks are inseparable from the respective policies that apply to each country. However, in this study, it can be implied to banking companies in ASIA that the composition and existence of a risk monitoring committee are crucial to the effect of risk disclosure on financial performance, which can increase the desire of potential investors and investors to add funds to banking companies. In a roundabout way, the findings of this study encourage financial institutions to take extraordinary precautions when addressing the many risks involved in the banking industry. That is especially true for the nations in the Asia-Pacific area that practice Islamic banking. Existing risks can be mitigated by the existence of a risk monitoring committee, particularly risks related to credit risk and market risk, which are highly susceptible to banking and customer affairs; in this case, customers and companies can establish relationships, which is crucial for securing short- and long-term banking conditions.

The rapidly rising economies of Asia are becoming significant development and innovation engines for the global banking industry. As incomes increase and the proportion of middle-class households increases to two-thirds, personal financial assets in the Asia-Pacific area will reach USD 69 trillion by 2025, accounting for 75 percent of the worldwide total. More than 77% of these customers prefer digital banking. Its 16 million retail banking clients may perform all activities on their mobile devices and process up to 10 million daily digital transactions (Erich, 2023). Consequently, the use of banking services in this scenario is very high and can reduce losses caused by technological payment problems. In this case, the risks banks encounter by accepting customers with large deposits are also high. However, with the functioning of the risk monitoring committee, the risks faced by banks can be minimized or even prevented by preventative measures. The final implication of this study is the risk monitoring unit committee's robust oversight of risk disclosure to improve the financial performance of banks, particularly Islamic banks in the ASIA region.

References

Abdallah, M. Ben, and Bahloul, S., (2021). "Disclosure, Shariah Governance and Financial Performance in Islamic Banks," Asian Journal of Economics and Banking, vol. 5, no. 3, pp. 234-254.
https://doi.org/10.1108/AJEB-03-2021-0038

Adelopo, I., (2017), "Nonfinancial Risk Disclosure: The Case of The UK's Distressed

Banks," Journal Australasian Accounting, Business, and Finance, vol. 11, no. 2, pp. 23-42. https://doi.org/10.14453/aabfj.v11i2.3

Aldhamari, R., Naimi, M., Nor, M., Boudiab, M., & Mas'ud, A., (2020), "The Impact of Political Connections and Risk Committee on Corporate Financial Performance: Evidence from Financial Firm in Malaysia," Corporate Governance, vol. 20, no. 7, 1281-1305. https://doi.org/10.1108/CG-04-2020-0122

Azevedo, G., Oliveira, J., Sousa, L., & Borges, M. F. R, (2022), "The Determinants of Risk Reporting During The Period of Adoption of Basel II Accord: Evidence from The Portuguese Commercial Banks" Asian Review of Accounting, vol. 30, no. 2, 1321-7348. https://doi.org/10.1108/ARA-03-2021-0051

Al-Dubai, S. A. A., & Abdelhalim, A. M. M. (2021). The Relationship between Risk Disclosure and Firm Performance: Empirical Evidence from Saudi Arabia. Journal of Asian Finance, Economics and Business, 8(6), 255-0266. https://doi.org/10.13106/jafeb.2021.vol8.no6.0255

Abraham, S., & Cox, P. (2007). Analyzing the determinants of narrative risk information in UK FTSE 100 annual reports. The British Accounting Review, 39(3), 227-248. https://doi.org/10.1016/j.bar.2007.06.002

Agustina, L., & Baroroh, N. (2016). The Relationship Between En¬terprise Risk Management (ERM) And Firm Value Mediated Through The Financial Performance. Review of Integrative Busi¬ness and Economics Research, 5(1), 128-138.

Bailey, C., (2019), "The Relationship Between Chief Risk Officer Expertise, ERM Quality, and Firm Performance," Journal of Accounting, Auditing & Finance, pp. 1-25. https://doi.org/10.1177/0148558X19850424

Brigham dan Houston, (2019), Fundamentals of Financial Management, Nelson Education, Ltd.

Bhuiyan, M. B. U., Cheema, M. A., & Man, Y, (2021), "Risk Committee, Corporate Risk Taking, and Firm Value," Managerial Finance, vol. 47, no. 3, pp. 285-309. https://doi.org/10.1108/MF-07-2019-0322

Perspective. Journal of Information Systems, 28(2), 67-101.

Benthall, S., & Vilijoen, S. (2021). Data Market Discipline: From Financial Regulation to Data Governance. J. Int'l & Comp. L., 8, 459. https://doi.org/10.2139/ssrn.3774418

Bravo, F. (2017). Are risk disclosures an effective tool to increase firm value? Managerial and Decision Economics, 38(8), 1116-1124. https://doi.org/10.1002/mde.2850

Dey, R., Hossain, S., & Rezaee, Z. (2018). Financial Risk Disclosure and Financial Attributes among Publicly Traded Manufacturing Companies: Evidence from Bangladesh. Journal of Risk and Financial Management, 11(3), 1-16.
https://doi.org/10.3390/jrfm11030050

Duffy, M. (2014). Towards Better Disclosure of Corporate Risk: A Look at Risk Disclosure in Periodic Reporting. Adelaide Law Rev, 35(2), 385-408.

Düsterhöft, M., Schiemann, F., & Walther, T. (2020). Let's Talk About Risk! The Firm Value Effect of Risk Disclosure for European Energy Utilities. Electronic Journal.
https://doi.org/10.2139/ssrn.3692372

Elamer, A. A., Ntim, C. G., & Abdou, H. A, (2020), "Islamic Governance, National Governance, and Bank Risk Management and Disclosure in MENA Countries," Journal Business & Society, vol. 59, no. 5, pp. 914-955.
https://doi.org/10.1177/0007650317746108

Ellili, N. O. D., & Nobanee, H., (2017), "Corporate Risk Disclosure of Islamic and Conventional Banks," Journal Banks and Bank Systems, vol. 12, no. 3, 1991-7074.
https://doi.org/10.21511/bbs.12(3-1).2017.09

Erich, G., (2021), Senior Vice President EMEA & APJ, TIBCO Software Inc.
https://www.indotelko.com/read/1611887804/melihat-asia (Accessed on March 6, 2023)

Elshandidy, T., Fraser, I., & Hussainey, K. (2013). Aggregated, voluntary, and mandatory risk disclosure incentives: Evidence from UK FTSE all-share companies. International Review of Financial Analysis, 30, 320-333.
https://doi.org/10.1016/j.irfa.2013.07.010

Farooqi, M. F., & O'Brien, J., (2019), "A Comparison of The Impact of The Basel Standards Upon Islamic and Conventional Bank Risks in The Gulf States Region," Journal of Islamic Accounting and Business Research, vol. 10, no. 2, pp. 216-235.
https://doi.org/10.1108/JIABR-10-2016-0125

Ferri, L., Allini, A., Maffei, M., & Spano, R., (2021), "Management Obfuscation Through Mandatory Financial Risk Disclosure: Evidence from European Listed Banks," Meditary Accountancy Research. https://doi.org/10.1108/MEDAR-06-2021-1348
https://doi.org/10.1108/MEDAR-06-2021-1348

Gazi, M. A. I., Alam, M. S., Hossain, G. M. A., Islam, S. M. N., Rahman, M. K., Nahiduzzaman, M., & Hossain, A. I., (2021), "Determinants of Profitability in Banking Sector: Empirical Evidence from Bangladesh," Journal of Accounting and Finance, vol. 9, no. 6, pp. 1377-1386.
https://doi.org/10.13189/ujaf.2021.090616

Gopalan, Y., (2022), "The Effects of Rating Disclosure by Bank Regulators," Journal of Accounting and Economics, pp. 73.
https://doi.org/10.1016/j.jacceco.2021.101438

Ghozali, I., (2018), Aplikasi Analisis Multivariate dengan Program SPSS 25 [Multivariate Analysis Application Using The SPSS 25 Program], Semarang, Undip

Grassa, R., Moumen, N., & Hussainey, K., (2020), "Is Bank Creditworthiness Associated with Risk Disclosure Behavior? Evidence from Islamic and Conventional Banks in Emerging Countries", Journal Pacific-Basin Finance, pp. 61.
https://doi.org/10.1016/j.pacfin.2020.101327

Guthrie, J., Rossi, F. M., Orelli, R. L., & Nicolo, G., (2020), "Investigating Risk Disclosures in Italian Integrated Reports," Journal Meditary Accountancy Research, vol. 28, no. 6, pp. 1149-1178.
https://doi.org/10.1108/MEDAR-10-2019-0596

Haddad, A. E., & Alali, H (2022), "Risk Disclosure and Financial Performance : The Case of Islamic and Conventional Banks in The GCC," Journal of Islamic Accounting and Business Research, vol. 13, no. 1, pp. 54-72.
https://doi.org/10.1108/JIABR-11-2020-0343

Harb, E., Khoury, R. E., Mansour, N., & Daou, R., (2021), "Risk Management and Bank Performance: Evidence from The MENA Region," Journal of Financial Reporting and Accounting, 1985-2517.
https://doi.org/10.1108/JFRA-07-2021-0189

Hidayat, S. E., Sakti, M. R. P., & Al-Balushi, R. A. A., (2021), "Risk, Efficiency and Financial Performance in The GCC Banking Industry: Islamic Versus Conventional Banks", Journal of Islamic Accounting and Business Research, vol. 12, no. 4, pp. 564-592.
https://doi.org/10.1108/JIABR-05-2020-0138

Jallali, S., & Zoghlami, F., (2022), "Does Risk Governance Mediate The Impact of Governance and Risk Management on Bank's Performance? Evidence from A Selected Sample of Islamic Banks", Journal of Financial Regulation and Compliance, vol. 30, no. 4, pp. 439-464.
https://doi.org/10.1108/JFRC-04-2021-0037

Jizi, M. I., & Dixon, R., (2016)., "Are Risk Management Disclosures Informative or Tautological? Evidence from The US Banking Sector", Journal Accounting Perspective, vol. 16, no. 1, pp. 7-30.
https://doi.org/10.1111/1911-3838.12134

Kassamany, T., Harb, E., Louhichi, W., & Nasr, M., (2021), "Impact of Risk Disclosure on The Votality, Liquidity, Performance UK, and Canadian Insurance Companies," Competitiveness Review: An International Business Journal
https://doi.org/10.1108/CR-10-2021-0129

Karim, S., Qamruzzaman, M., & Jahan, I. (2022). Nexus between Information Technology, Voluntary Disclosure, and Sustainable Performance: What is the role of Open Innovation. Journal of Business Research, 145, 1-15.

Lopes, P. T., & Rodrigues, L. L. (2007). Accounting for financial instruments: An analysis of the determinants of disclosure in the Portuguese stock exchange. The International Journal of Accounting, 42(1), 25-56.
https://doi.org/10.1016/j.intacc.2006.12.002

Liebenberg, A. P., & Hoyt, R. E. (2003). The Determinants of Enterprise Risk Management: Evidence From the Appointment of Chief Risk Officers. Risk Management and Insurance Review, 6(1), 37-52.
https://doi.org/10.1111/1098-1616.00019

Li, X., & Yang, H. I. (2016). Mandatory financial reporting and voluntary disclosure: The effect of mandatory IFRS adoption on management forecasts. The accounting review, 91(3), 933-953.
https://doi.org/10.2308/accr-51296

Linsley, P. M., & Shrives, P. J. (2006). Risk reporting: A study of risk disclosures in the annual reports of UK companies. The British Accounting Review, 38(4), 387-404.
https://doi.org/10.1016/j.bar.2006.05.002

Lyon, T. P., & Maxwell, J. W. (2019). "Voluntary" approaches to environmental regulation. In Economic institutions and environmental policy (pp. 75-120). Routledge.
https://doi.org/10.4324/9781315203270-6

Malafronte, I., Starita, M. G., & Pereira, J, (2018), "The Effectiveness of Risk Disclosure Practices in The European Onsurance Industry", Review of Accounting and Finance, vol. 17, no. 1, pp. 130-147.
https://doi.org/10.1108/RAF-09-2016-0150

Musallam, S. R. M., (2020), "Effects of Board Characteristics, Audit Committee, and Risk Management on Corporate Performance: Evidence from Palestinian Listed Companies," International Journal of Islamic and Middle Eastern Finance and Management, vol. 13, no. 4, pp. 691-706.
https://doi.org/10.1108/IMEFM-12-2017-0347

Malahim, S. S. (2023). The Relationship Between The Risk Disclosure And Risk Management Committee On Banks Value: Empirical Evidence From Jordan. International Journal of Professional Business Review, 8(3), 1-29.
https://doi.org/10.26668/businessreview/2023.v8i3.572

Oluwagbemiga, O. E., Isaiah, O. O., & Esiemogie, I. P. (2016). The relationship between the risk management practices and financial performance of the Nigerian listed banks, Accounting and Management Information Systems, 15(3), 565-587.

Onoja, A., & Agada, G. O. (2015). Voluntary Risk Disclosure in Corporate Annual Reports: An Empirical Review. Research Journal of Finance and Accounting, 6(17), 1-8.

Nahar, S., & Azim, M. I., (2021), "Executives Perceptions of Risk Management Disclosures and Its Determinants: A Developing Country Perspective," Journal of Accounting In Emerging Economics, 2042-1168.
https://doi.org/10.1108/JAEE-04-2020-0090

Oino, I., (2019), "Do Disclosure and Transparency Affect Bank's Financial Performance?" Corporate Governance, vol. 19, no. 6, pp. 1344-1361.
https://doi.org/10.1108/CG-12-2018-0378

Oyewo, B., (2022), "Enterprise Risk Management and Sustainability of Banks Performance," Journal of Accounting in Emerging Economies, vol. 12, no. 2, 2042-1168.
https://doi.org/10.1108/JAEE-10-2020-0278

Qureshi, A., & Lamarque, E., (2022), "Risk Management Practices and Credit Risk of The Significantly Supervised European Banks," Journal of Financial Regulation and Compliance.
https://doi.org/10.1108/JFRC-12-2021-0117

Rastogi, S., & Kanoujiya, J., (2022), "Does Transparency and Disclosure (T&D) Improve The Performance of Banks in India?" International Journal of Productivity and Performance Management, 1741-0401.
https://doi.org/10.1108/IJPPM-10-2021-0613

Rajab, B., & Schachler, M. H. (2009). Corporate risk disclosure by UK firms: trends and determinants. World Review of Entrepreneurship, Management and Sust, 5(3), 224-243.
https://doi.org/10.1504/WREMSD.2009.026801

Ryan, S. G. (2012). Risk Reporting Quality: Implications of Academic Research for Financial Reporting Policy. Accounting and Business Research, 42(3), 295.
https://doi.org/10.1080/00014788.2012.681855

Sari, E., Suhadak, S., & Rahayu, S. M, (2018), "The Effect of Tier-1 Capital, Risk Management, and Profitability on Performance of Indonesian Commercial Banks", International Journal of Law and Management, vol. 60, no. 5, pp. 1074-1086.
https://doi.org/10.1108/IJLMA-05-2017-0109

Salem, I. H., Ayadi, S. D., & Hussainey, K., (2019), "Corporate Governance and Risk Disclosure Quality: Tunisian Evidence," Journal of Accounting in Emerging Economics, vol. 9, no. 4, pp. 567-602.
https://doi.org/10.1108/JAEE-01-2019-0005

Solimun., (2017), Metode Statistika Multivariat Pemodelan Persamaan Struktural (SEM) Pendekatan WarpPLS [Multivariate Statistical Method Structural Equation Modeling (SEM) WarpPLS Approach]. UB Press

Sharma, S., Durand, R. M., & Gurarie, O., (1981), "Identification and Analysis of Moderator Variables," Journal of Marketing Research, vol. 18, no. 3, pp. 291-300.
https://doi.org/10.1177/002224378101800303

Surat Edaran OJK No. 10/SEOJK.03/2014, tentang Penilaian Tingkat Kesehatan Bank Umum Syariah dan Unit Usaha Syariah [Circular Letter of The FSA No. 10/SEOJK.03/2014, about Assessment of Soundness Level of Sharia Commercial Banks and Sharia Business Units]

Thinh, T. Q., Thuy, L. X., & Tuan, D. A., (2022), "The Impact of Liquidity on Profitability-Evidence of Vietnamese Listed Commercial Banks," Journal Banks and Bank Systems, vol. 17, no. 1, 1991-7074.
https://doi.org/10.21511/bbs.17(1).2022.08

Virgana, R. A. E., Athoillah, M. A., & Wulan, E.R., (2019), "Information Analysis, Data Correlation: CAR, FDR, NPF, OER Against ROA Of Eleven (11) Islamic Banks in Indonesia 2013-2018", International Journal of Innovation Creativity and Change, vol. 6, no. 7, pp. 232-256.