The influence of Risk Profile, Good Coorporate Government, Profitability, and Capital on Company Value in The Banking Sector on The Indonesian Stock Exchange

Andi Runis Makkulau[1]*, Muh. Nur[2], Wahyuni Rahmah[3], Astriwati[4]

[1,2,3,4]Department of Economics, Sekolah Tinggi Ilmu Ekonomi Enam-Enam, Kendari 93121, Indonesia

E-mail:

runispwt@gmail.com, muh.nur363@gmail.com, wahyuni.rahmah90@gmail.com, astriwati23@gmail.com

Abstract

This study aims to determine and analyze: (1) The effect of risk profile on banking sector firm value; (2) The effect of good corporate governance on the banking sector's corporate value; (3) The effect of profitability on banking sector corporate value; (4) The effect of capital on the value of banking sector companies. The companies studied in this research were from the banking sector and belonged to the BOOK (Business Category Commercial Bank) 4 group, which included seven banks: Bank Central Asia (BBCA), Bank Mandiri (BBRI), Bank Mandiri (BMRI), Bank Negara Indonesia (BBNI), Bank Pan Indonesia (PNBN), Bank CIMB Niaga (BNGA), and Bank Danamon (BDMN). Secondary data from 2011 to 2020, sourced from The Indonesia Capital Market Institute (TICMI) and the official websites of the banks, was utilized for analysis in this study. The data underwent processing and analysis using the SMART PLS application. The study's findings indicate that (1) the presence of Non-Performing Loans (NPL) and a high Loan to Deposit Ratio (LDR) has a significant and negative impact on firm value. (2) While Good Corporate Governance (GCG) has a positive effect on firm value, it is not statistically significant. (3) Profitability has a significant and positive influence on firm value. (4) Conversely, capital exhibits a significant and negative impact on firm value. This research is new research in the literature that uses quantitative models, analyzes empirical data, and provides insights that are useful in the process of making investment decisions in banking sector companies on the Indonesian Stock Exchange.

Keywords: Corporate value, risk profile, good corporate governance, profitability, capital.
JEL Classification: C120, C130, G110, G22.

Introduction

A Data from the Republic of Indonesia Central Securities Depository (KSEI) demonstrate that the investor count in Indonesia grows every year, even during the period 2018 to 2020 it has increased by more than 50 percent. On the other hand, The financial companies will undergo an assessment and analysis by these investors. Each investor will have certain criteria for investing, One example pertains to businesses with promising future outlooks, The company's value has risen, as shown by the increase.

The value of the company is an important matter for the main stakeholders, the shareholders because when the value of a company increases, the level of wealth of the shareholders also increases. The high corporate value will make the market believe not only in the company's current performance but also in the company's prospects (Mustikorini, 2019; Sari and Sedana, 2020; Setiawan et al., 2021).

In some literature, there are several indicators used to measure the value of the company. Dentika, 2021; Ahmad, 2020; Ardianingtyas, 2020; Maimunah, 2019; Repi, 2016; Yuliati, 2016) in his research using the Price to Book Value Ratio (PBV) to measure the value of the company. While (Endri et al., 2020; Ayuba et al., 2019; Kurnia et al., 2020; Juniar et al., 2021) use the Tobins'Q ratio in their research to measure firm value. Because of these differences in measurement, it is necessary to test the best indicators to measure company value.

During the years 2011 to 2020, the PBV of Book 4 banking companies showed varying values, consistently exceeding the average PBV of the banking sub-sector listed on the Indonesia Stock Exchange. Over the past 4 years, there has been a tendency for the PBV of multiple banks in Book 4 to decrease in worth. A reputable bank typically has a PBV exceeding 1x, yet upon reviewing the Book 4 banks, it is evident that several banks had a PBV lower than 1 during the period from 2011 to 2020.

The operations of a business entity depend not only on capital but also on other sources, such as debt. Tobin's Q value is used to describe the investment opportunities held by the company. If Tobin's Q ratio is above one, it indicates that investment in assets generates profits that provide a higher value than investment expenditure, this will stimulate new investment. Conversely, if Tobin's Q ratio is below one, The company's assets have a book value higher than its market value, making its investment in assets unappealing. The banking Tobins'q value has fluctuated over the last 10 years (2011 to 2020) and generally trended downward.

Several factors influence the value of a banking company, both internal and external to the company (Nguyen et al., 2021; Sudiyatno et al., 2020). Firm value is significantly influenced by the results of the assessment of the bank's soundness level which is the result of a series of internal processes at the bank. The evaluation in Indonesia employs a technique called risk bank rating or a risk-based bank assessment, utilizing the RGEC indicator (Risk Profile, Good Corporate Governance, Earnings, Capital). (Cheng, Liu, and Chien, 2010; Krause and Tse, 2016; Modigliani and Miller, 1963; Prabawati et al., 2021; Ristiani and Santoso, 2018; Wulandari and Mertha, 2017).

Risk profile factors include 8 (eight) types of risk and are generally categorized into 2 risk categories, namely risks that can be measured (quantitative) and risks that are difficult to measure (qualitative). Several studies have been conducted by including quantitative risk factors as risk profile proxies. Due to limited data, therefore this study used quantitative risk factors that can be measured, namely credit risk and liquidity risk.

The information on banking performance in handling and preserving the quality of credit provided to the public is encompassed within credit risk. (Raharja and Putra, 2016). Assessing the credit risk level in a bank can be done by looking at the non-performing loans, which are measured using the non-performing loan (NPL) ratio. According to Pitasari (2020), Maimunah (2019), Asriyani (2018), Suranto (2017), and Lawinataliani (2016), a reduction in non-performing loans

(NPL) as a proxy for risk profile could potentially enhance the company's value, as indicated by PBV. However, Ardianingtyas (2020), Repi (2016), and Kurniadi (2018) It was found that the company's value, as indicated by PBV, is not affected by the risk profile, which is assessed through non-performing loans (NPL). On the other hand, Anggarsini (2018) discovered that credit risk, measured by NPL, does not influence firm value as indicated by Tobin'Q. These studies produce different results regarding the influence of risk profiles with NPL indicators on firm value.

Several research studies have been carried out to investigate the impact of the Loan Deposit Ratio (LDR) indicator on firm value in relation to risk profile. According to Dwi, 2021, an increase in liquidity can enhance the value of a banking company, as indicated by PBV, showing that LDR has a positive and significant effect on firm value. On the other hand, Repi, 2016 discovered a negative and significant effect of LDR on firm value. Asriyani, 2018, and Yuliati, 2016 both found that LDR, as a risk profile indicator, has a negative impact on firm value, although it is not statistically significant. These studies present mixed results on the effect of LDR as a measure of risk profile on firm value.

The company's performance is expected to improve through the implementation of Good Corporate Governance (GCG) because it makes managers feel accountable for continuously enhancing shareholder prosperity. As a result, the implementation of GCG instills confidence in shareholders that they will see returns on their investments (Putranto, 2017). According to Renders et al., 2012, a study involving 14 European countries demonstrates that a strong governance structure in disclosure material is linked to increased corporate value. La Utu et al., 2016 found that corporate governance has an impact on investment growth.

The role of the board of commissioners as a monitoring mechanism plays an important role in corporate governance in Balachandran et al., 2015 which is supported by Anggarsini et al., 2018) states that the mechanism of good corporate governance influences firm value.

Assessing the composition of the independent board of commissioners and the number of directors in banking institutions can be used to evaluate the efficacy of good corporate governance. Gafoor et al. (2018) found that board composition, including size and independence, significantly contributes to enhancing bank performance. Various studies have demonstrated that the presence of independent commissioners, as an indicator of GCG, has a positive impact on increasing company value, as evidenced by research conducted by Dentika et al. (2021) and Falikhatun (2020). On the other hand, research by Sunardi, 2019; Damaianti, 2019; and Ardianto, 2021 shows that the composition of the independent board of commissioners does not affect the value of the company.

The result of implementing GCG principles, along with the adequacy of the bank's governance structure and infrastructure, leads to outcome quality that satisfies the expectations of bank stakeholders (Indonesian Bankers Association, 2016 :160). The banking governance process is carried out by the board of commissioners, committees, and the company's board of directors. Directors have full control over the company. The company's success is closely tied to the impact of its directors. Falikhatun, 2020; Damaianti, 2019; Susanti, 2016 show that GCG as measured by the number of company directors affects the value of the company. Ardianto (2021) show that GCG as measured by the number of directors does not affect the value of the company. These studies obtained various results that affect the value of the company.

Profitability is the company's ability to generate profits for the company. Profitability can be measured by Return on Assets (ROA). Firm value can also be influenced by the size of the profitability generated by the company. Simoens et al., 2021 found that the value of banking companies as measured by price to book value during the 2007-2017 period was mainly driven by profitability factors. Research from Dentika et al., 2021; Jihadi, 2021; Endri, 2020; Sari, 2020; Ardianingtyas, 2020; Repi, 2016; Yuliati, 2016 shows that profitability, as measured by Return On Assets (ROA) has a significant influence on the growth of company value as measured by Price to Book Value (PBV). Where the increase in ROA will also increase the value of the company. On

the other hand, Ardianto, 2021 found that ROA has a negative and significant effect on firm value. In addition, there are other studies from Ambarwati, 2021; Agustiani, 2016, and Damaianti, 2019 which states that ROA has no significant effect on firm value.

In the banking business, the concept of prudence places significant emphasis on capital. Capital serves as a means of funding operational activities and provides a safeguard against potential risks for banks. Various research endeavors have been undertaken to examine the impact of capital on the value of a firm. Typically, these studies utilize the Capital Adequacy Ratio (CAR) and the Debt to Equity Ratio (DER) as indicators to assess capital ratios. Pitasari, 2020 and Sundus, 2017 found that CAR has a positive and significant influence on firm value where an increase in company capital will be accompanied by an increase in the value of the company. Yuliati, 2016 found that CAR has a negative and significant effect on firm value. Ardianingtyas, 2020; Ristiani, 2018; Maimunah, 2019; Agustiani, 2016 found that CAR has no significant effect on firm value. Israel et al., 2018 and Robiyanto et al., 2020 state that the Debt to Equity Ratio (DER) as an indicator of capital has a positive and significant effect on firm value. Kusumawati et al., 2018; Nazariah, 2019; Wardhani, 2019 in his research found that DER has a negative effect on firm value. Meanwhile, Jayanti, 2018; Ardiana et al., 2018 and Sondakh, 2019 in his research found that DER did not affect firm value.

Literature Review

Risk and Return Theory

The connection between risk and return is inseparable. It depends on the potential for risk and profit. The greater the risk, the higher the potential return. Fama, 1978 in Juniar et al., 2021 state that the value of the company is determined solely by investment decisions. This opinion can be interpreted that investment decisions are important because achieving company goals, namely maximizing shareholder wealth, will only be generated through company investment activities. The purpose of investment decisions is to obtain a high rate of return with a certain level of risk. High profits accompanied by manageable risks are expected to increase the value of the company, which means increasing the prosperity of shareholders.

Agency Theory

Jensen & Meckling, in 1976, developed agency theory to elucidate the connection between two parties. These parties comprise an agent, who undertakes specific tasks on behalf of the principal (shareholders), and a principal, who compensates the agent (company management). The primary objective of the company is to enhance its value. In order to accomplish this objective, shareholders, as the company's owners (principal), designate a manager as an agent to oversee the company in the owners' best interests, specifically to improve their well-being by increasing the company's value. Nevertheless, in reality, managers frequently pursue other goals that may conflict with the company's primary objectives, thereby leading to conflicts of interest between managers as agents and owners as principals, (Sudiyatno et al., 2020).

Signaling Theory

Akerlof (1970) found that when buyers have no information regarding product specifications and only have a general perception of the product, buyers will value all products at the same price, both high-quality and low-quality products, to the detriment of high-quality product sellers. Adverse selection is when the seller in a business transaction possesses more information than the buyer. According to Spence, 1973, the party with the information provides a signal or information that reflects the company's condition, which benefits the receiving party, namely investors. The signal is information that explains management's efforts to realize the

owner's wishes. This information is considered an important indicator for investors and business people in making investment decisions.

The Value of the Company

Generally, companies that have become an attractive industry and/or achieve SCA (sustainable competitive advantage) in their industry can earn returns and create value. If the return on a project exceeds what financial markets demand, it is said to be receiving excess returns. This return indicates value creation. In simple terms, the project receives more than it holds economically (Syaifuddin, 2008 :190).

Getting the value of a company requires a measurement that needs to be done. In several journals and literature, there are several opinions regarding the measurement of firm value. According to Dentika, 2021; Ahmad, 2020; Ardianingtyas, 2020; Maimunah, 2019; Nardi Sunardi, 2019; Repi, 2016 and Yuliati, 2016 company value measurement can use Price to Book Value (PBV) or P/B ratio. Endry et al., 2020; Ayuba et al., 2019 and Kurnia et al., 2020 state that firm value can also be measured using the Tobins'Q ratio.

Schidlin, 2014 in his presentation stated that the Price to Book Value (PBV) Ratio stated the premium paid by the market on net assets. According to Endri et al., 2020; Ayuba et al., 2019; Kurnia et al., 2020 and Juniar et al., 2021 company value can be measured using the Tobins'Q ratio, where this ratio is the market ratio used by comparing the market value of the company's shares with the book value of the company's equity or the replacement value of the company's assets.

According to Brigham, 2018 the ratio of market price to book value indicates how investors view the company. Companies are viewed favorably by investors if they have low risk, high growth, and a high market value/book value ratio. Even so, the company value must be made as optimal as possible, meaning neither too high nor too low so that shares can be sold on the market and attract the attention of investors.

Risk Profile

The risk profile is an overall picture of the risks inherent in the bank's operations. Banks need to prepare a risk profile report, apart from reporting to Bank Indonesia, as well as supervision material to control bank risk effectively. Under Bank Indonesia regulations, the risk profile report is combined with the bank's soundness level report, where the risk profile is one of the components of a bank's assessment (Indonesian Bankers Association, 2016 :14). The risk profile is a bad signal for stakeholders because the high risk that exists with the lack of risk management results in a small possibility for the bank to continue its business in the future. The higher the risk profile will reduce stakeholder distrust of the continuity of the company and especially investors buying shares in banking companies. As a result, stock prices will be undervalued in the market and result in a decrease in the value of banking companies (Wulandari, 2017).

Capital

Banks need to determine the level of capital they should maintain for three main reasons. Initially, bank capital serves as a safeguard against bank failure, which occurs when a bank cannot fulfill its responsibilities to repay depositors and other debtors. Secondly, the quantity of capital possessed impacts the profits for bank shareholders. Third, the minimum amount of bank capital (bank capital requirement) is required by regulatory authorities (Mishkin, 2019:250).

According to Goddard, 2017 capital or equity is the difference between total assets and total liabilities and is a key indicator of a bank's solvency. Capital provides a buffer against losses on outstanding loans or investments that have declined in value. Banking regulations require minimum capital adequacy of banks to minimize the risk of failure.

Methodology

The research variables in this study consist of firm value (Y), risk profile (X_1), good corporate governance (X_2), profitability (X_3), and capital (X_4). Each of these variables is characterized by multiple indicators. Firm value is represented by Price to Book Value (PBV) and Tobin's Q. The risk profile is assessed through Non-Performing Loans (NPL), Allowance for Impairment Losses (CKPN), and Loan Deposit Ratio (LDR). Good corporate governance is measured by the composition of independent commissioners, the number of directors, and the count of audit committees. Profitability is indicated by Return on Assets (ROA), Return on Equity (ROE), and Net Interest Margin (NIM). Capital is evaluated using Capital Adequacy Ratio (CAR) and Debt to Equity Ratio (DER).

The study population consists of 43 banking companies listed in the bank sub-sector category (81) on the Indonesia Stock Exchange. The sample includes 7 conventional commercial banks based on Business Activities (BOOK) 4. These banks are Bank Central Asia (BBCA), Bank Mandiri (BBRI), Bank Mandiri (BMRI), Bank Negara Indonesia 46 (BBNI), Bank Pan Indonesia (PNBN), Bank CIMB Niaga (BNGA), and Bank Danamon (BDMN).

The data used in the research was sourced from the official websites of individual banking companies and Indonesian banking statistics provided by the Financial Services Authority. Additionally, information was gathered from the official website of the Indonesia Stock Exchange at www.idx.co.id and data from The Indonesia Capital Market Institute (TICMI).

The study utilizes the Structural Equation Modeling Partial Least Squares (SEM-PLS) method for data analysis, which is implemented using smartPLS program version 3.3.9. Additionally, an assessment of the measurement model (outer model) and an examination of the structural model (inner model) are conducted. Evaluation of latent variable measurement models with reflective indicators was analyzed using indicator measurements (outer models) which were carried out by looking at the values of Convergent validity, discriminant validity, composite reliability, coefficient of determination test, F square test, predictive relevance test, and multicollinearity test. Structural model evaluation is used to test the research hypothesis for interpretation of the results.

Structural models are theory-based and are the main focus of research questions and/or research hypotheses Latan and Noonan, 2017 The following is the formula for the structural model:

$$\eta = \beta_0 + \beta_\eta + \Gamma\xi + \zeta$$

Where,

η (eta) is an endogenous latent variable factor

ξ (ksi) is a vector of exogenous latent variables

ζ (zeta) is a vector of residual variables

β0 is a constant

β is the path coefficient of the endogenous variable

Γ (gamma) is the path coefficient of the exogenous variable

SEM PLS is designed for a one-way model or recursive model, so that each latent variable has a relationship which is often called a causal chain system relationship which is specified based on the equation:

$$\eta_j = \sum_i \beta_{ji}\, \eta_i + \sum_i r_{ji}\, \xi_i + \zeta_i$$

Results and Discussions

Evaluation of Measurement Models

The evaluation of the measurement model in this study aims to assess variable indicators of constructs/latent variables that cannot be measured directly. According to Chin, 1998 the indicator is said to have a high correlation with the construct if it has a loading factor value of more than 0.7. The value of the loading factor can also be interpreted as the contribution of each indicator to latent variables. The loading factor of an indicator with the highest value means that the indicator is the strongest or most important measure in reflecting the latent variable concerned. Based on the evaluation criteria above, an analysis process is carried out based on the results of processing the smartPLS application data, and the following results are obtained:
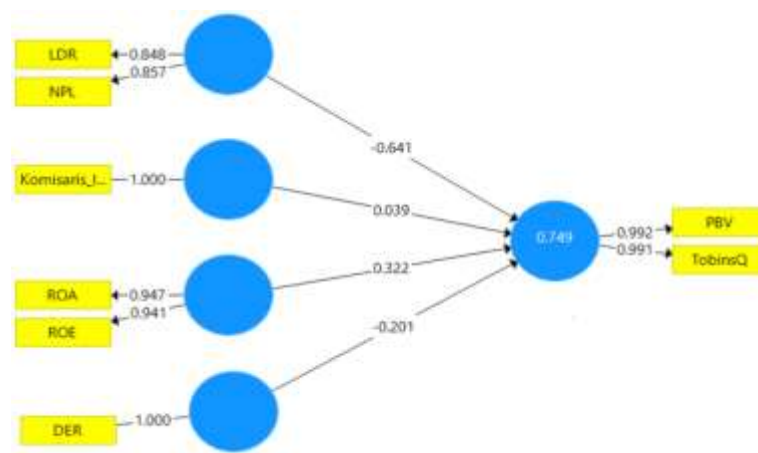

Figure 1 : The results of testing the PLS algorithm

After cutting off several indicators and continuing the PLS algorithm process, the results are presented in Figure 1. Then the data in the scheme is collected and a table of research results is presented as shown in Table 1 for further analysis of the outer loading.

Table 1. PLS algorithm results

	Firm Value (Y)	Risk Profile (X_1)	GCG (X_2)	Profitability (X_3)	Capital (X_4)
PBV	0.992				
TobinsQ	0.991				
LDR		0.848			
NPLs		0891			
Independent Commissioner			0914		
ROA				0936	
ROE				0.920	
DER					0.998

Source: Data Processed 2022

Based on the results of the recalculation as presented in Table 1, all latent variable indicators have an outer loading value above the value of 0.7. Latent variables and indicators have a mutual influence on each other and are interdependent. The value of the loading factor can also be interpreted as the contribution of each indicator to latent variables. Based on the test results as presented in Table 1 it can be described as follows.

Evaluation of Firm Value Variable Measurement

The study measures the firm value variable using the PBV (Price to Book Value) and Tobins'Q indicators. Analysis of the outer loading value reveals that the PBV (Price to Book Value) indicator is the most significant in reflecting the value of the latent variable of firm value, with an outer loading value of 0.992. Similarly, Tobins'Q has an outer loading value of 0.992.

Evaluation of Risk Profile Variable Measurement

In this study, the risk profile is reflected through the NPL (Non-Performing Loan) and LDR (Loan to Deposit Ratio) indicators. The NPL (Non-Performing Loan) indicator is the most significant measure for reflecting risk profile latent variables, as per the results of outer loading. NPL (Non-Performing Loan) has an outer loading value of 0.891 while the LDR (Loan to Deposit Ratio) has an outer loading value of 0.848.

GCG Variable Measurement Evaluation

In this study, Indicators of the composition of the independent board of commissioners reflect GCG. The composition of the independent board of commissioners has the highest outer loading indicator value of 0.914, making it the most significant measure for reflecting GCG latent variables.

Evaluation of Profitability Variable Measurement

In this study, profitability is reflected through the ROA (Return on Assets) and ROE (Return on Equity) are indicators being considered. According to the outer loading results, the ROA (Return on Assets) indicator is the most significant measure for reflecting the latent variable profitability. ROA (Return on Assets) has an outer loading value of 0.936 while ROE (Return on Equity) has an outer loading value of 0.920.

Evaluation of Capital Variable Measurement

This study uses the capital variable as reflected by the DER (Deb to Equity Ratio) indicator. The outer loading results indicate that the Deb to Equity Ratio (DER) is the most significant measure for reflecting the capital variable, as evidenced by the high outer loading value of 0.998.

Convergent Validity

Convergent Validity is the degree to which a set of items reflecting the same construct is positively correlated. The higher the correlation between items, the more the item variants have in common. To establish convergent validity we look for a high positive correlation between the items and the construct. (Mehmetoglu and Venturini, 2021:158). Convergent Validity shows the correlation between measurement variables and their constructs which can be seen in the loading factor on each construct indicator. The indicator is said to have a high correlation with the construct if it has a loading factor value of more than 0.7

Apart from looking at the loading factor value, convergent validity can be seen in the Average Variance Extracted (AVE) value as shown in Table 1. The Average Variance Extracted shows how much the indicator variance can be explained by latent variables. An Average Variance Extracted value of 0.5 or more means that the construct can explain 50% or more of the variance of the item.

Table 2. Average Aariance Extracted Value

Variable	Average Variance Extracted (AVE)	Results
Firm Value (Y)	0.981	Validity
Risk Profile (X_1)	0.726	Validity

GCG (X_2)	1,000	Validity
Profitability (X_3)	0.897	Validity
Capital (X_4)	1,000	Validity

Source: Data Processed 2022

Based on Table 2 above, it can be seen that the Average Variance Extracted (AVE) value is used to determine whether the convergent validity requirements have been met, then all constructs have met the convergent validity requirements because the AVE values are all greater than 0.50.

Discriminant Validity

Discriminant validity aims to determine whether a reflective indicator is a good measure of its construct based on the principle that each indicator must have a high correlation with its construct alone. Different construct metrics should not be highly correlated (Ghozali and Latan, 2012). In the SmartPLS 3.3.9 application, the discriminant validity test uses cross-loading values and the Fornell-Larcker Criterion and Heterotrait-Monotrait (HTMT) (Henseler et al., 2015).

Table 3. AVE values and AVE square root

Variable	AVE	Square Root AVE
Firm Value (Y)	0.981	0.991
Risk Profile (X_1)	0.726	0.855
GCG (X_2)	1,000	1,000
Profitability (X_3)	0.896	0.946
Capital (X_4)	1,000	1,000

Source: Data Processed 2022

After knowing the square root value of AVE for each construct, the next step is to compare the square root of AVE with the correlation between constructs in the model. In this study, the results of the correlation between constructs with the square root value of AVE can be shown in the following table.

Table 4. Roots of AVE (Fornell-Larcker Criterion)

	Firm Value (Y)	Risk Profile (X_1)	GCG (X_2)	Profitability (X_3)	Capital (X_4)
Firm Value (Y)	0.992				
Risk Profile (X_1)	-0.815	0.856			
GCG (X_2)	0.418	-0.431	1,000		
Profitability (X_3)	0.729	-0.702	0.387	0.945	
Capital (X_4)	0.123	-0.337	0.099	0.311	1,000

Source: Data Processed 2022

Based on Table 4 above, shows that the AVE square root value for each construct is greater than the correlation value so the constructs in this research model can be said to have good discriminant validity. Because all indicators of the AVE value are greater than the AVE root, this model has met the requirements of discriminant validity.

Cross-loading is another method to determine discriminant validity, namely by looking at the cross-loading value. If the loading value of each item on the construct is greater than the cross-loading value. The expected cross-loading value is greater than 0.7.

Table 5. Cross-Loading Value

	Firm Value (Y)	Risk Profile (X_1)	GCG (X_2)	Profitability (X_3)	Capital (X_4)
PBV	0.995	-0.848	0.427	0.755	0.181
TobinsQ	0.996	-0.779	0.401	0.681	0.058
LDR	-0.685	0.847	-0.405	-0.512	-0.387
NPLs	-0.704	0.856	-0.327	-0.683	-0.194
comp. Independent Commissioner	0.418	-0.433	1,000	-0.385	0.092
ROA	0.701	-0.621	0.399	0.946	0.067
ROE	0.665	-0.716	0.244	0.948	0.530
DER	0.124	-0.775	0.094	0.315	1,000

Source: Data Processed 2022

Paying attention to the values from Table 5 above, it can be seen that all loading indicators on the construct are greater than their cross-loading. Because all indicators have a loading value on the construct that is greater than the cross-loading, this model meets the requirements of discriminant validity (discriminant validity), so all indicators in this study can be said to be discriminantly valid.

Composite Reliability

The range of composite reliability values is from 0 to 1, with a value closer to 1 indicating higher reliability. A model is considered to have good composite reliability when the composite reliability value exceeds 0.7. Internal Consistency Reliability assesses how well indicators can measure their latent constructs, using composite reliability and Cronbach's alpha as evaluation tools. A composite reliability value between 0.6 and 0.7 is deemed to have good reliability, and the expected Cronbach's alpha value is above 0.6 (Ghozali and Latan, 2012).

Table 6. Composite reliability testing

Variable	Cronbach's Alpha	Composite Reliability	Results
Firm Value (Y)	0.986	0.997	Reliability
Risk Profile (X_1)	0.625	0.846	Reliability
GCG (X_2)	1,000	1,000	Reliability
Profitability (X_3)	0.879	0.945	Reliability
Capital (X_4)	1,000	1,000	Reliability

Source: Data Processed 2022

Based on Table 6 above, it can be seen that all constructs have a composite reliability value greater than 0.7 and Cronbach's Alpha value > 0.6, and even all of them, it can be said that all of these constructs are reliable.

Composite reliability of firm value (Y) of 0.991 > 0.7 and Cronbach's Alpha of firm value (Y) of 0.991 > 0.6, the indicator of firm value (Y) is reliable. The composite reliability of the risk profile (X_1) is 0.842 > 0.7 and Cronbach's Alpha of the risk profile (X_1) is 0.842 > 0.6, so the risk profile indicator (X_1) is reliable. The composite reliability of GCG (X_2) is 1.000 > 0.7 and Cronbach's Alpha of GCG (X_2) is 1.000 > 0.6, so the GCG indicator (X_2) is reliable. The

composite reliability of profitability (X3) is 0.942 > 0.7 and Cronbach's Alpha of profitability (X_3) is 0.942 > 0.6, so the profitability indicator (X_3) is reliable. The composite reliability of capital (X_4) is 1.000 > 0.7 and Cronbach's Alpha of capital (X_4) is 1.000 > 0.6, so the capital indicator (X_4) is reliable.

Determination Coefficient Test

Output Another test of the model is carried out by looking at the value of the coefficient of determination which is a goodness-fit-model test. The coefficient of determination is used to see the predictive power of the inner model through the R square value for endogenous latent variables. The resulting R square value represents the total variance of the latent variables described by the model. The R square value ranges from 0 to 1 where when the value is higher, the level of accuracy will be higher (Hair Joseph F et al. 2016). Chin provides criteria for R square values of 0.67, 0.33, and 0.19 as strong, moderate, and weak (Chin, 1998 in Ghozali and Latan, 2012).

Table 7. Test results for the coefficient of determination

	R Square	R Square Adjusted
Firm Value (Y)	0.749	0.734

Source: Data Processed 2022

Based on Table 7 above, the R square value of the effect of X_1, X_2, X_3, and X_4 on Y is 0.749 with an adjusted R square value of 0.734, it can be explained that the independent (endogenous) variable X simultaneously influences the Y variable by 0.734 or 73.4%. Because Adjusted R Square is 0.734 > 67%, the influence of the independent variable X on Y is strong.
Based on Table 7 it is found that the risk profile variables (X_1), GCG (X_2), profitability (X_3), and capital (X_4) can influence firm value (Y) by 73.4%. This means that there are as many as 26.6% of other factors outside of this study that can have an impact on firm value.

Hypothesis Testing Results

Hypothesis testing is done by looking at the structural model (inner model) formed after the bootstrap process. Based on the bootstrap process, the direct effect value of each exogenous latent variable is obtained on the endogenous latent variable. The test results can be presented in the following table.

Table 8. Hypothesis Testing Results

	Original Sample (O)	Sample Means (M)	STDEV	T Statistics	P-Values	Information
Risk Profile (X_1) -> Firm Value (Y)	-0.641	-0.640	0.088	7,287	0.000	Negative Significant
GCG (X_2) -> Corporate Value (Y)	0.039	0.040	0.062	0.625	0.537	Positive Not significant
Profitability (X_3) -> Firm Value (Y)	0.322	0.323	0.089	3,628	0.000	positive Significant
Capital (X_4) -> Firm Value (Y)	-0.201	-0.210	0.071	2,696	0.007	Negative Significant

Source: Data Processed 2022

Paying attention to Table 8, it can be seen that the magnitude of the direct effect of each exogenous latent variable on the endogenous latent variable, so that the following equation can be formed.

$$Y = -0.641X_1$$
$$Y = 0.039X_2$$
$$Y = 0.322X_3$$
$$Y = -0.201X_4$$

After the direct effect value is obtained, the process can be continued by analyzing this value to obtain the results of testing the research hypothesis. The results of testing the research hypothesis can be described as follows.

H1. The risk profile has a negative and significant effect on firm value

The analysis in Table 8 reveals that the coefficient for variable X_1 on Y is -0.641, indicating a negative impact of X_1 on Y. This suggests that as the value of X_1 decreases, Y will increase. A one-unit decrease in X_1 will result in a 64.1% increase in Y, assuming the other exogenous latent variables remain constant. Through bootstrapping or resampling, the estimated coefficient test for X_1 to Y yields a bootstrap result of -0.641 with a t-value of 7.403. These findings demonstrate that the p-value is 0.000, which is less than 0.05. Therefore, the first hypothesis (H1) stating that the risk profile has a negative and significant effect on firm value is proven and accepted.

H2. GCG has a positive and significant effect on firm value

Taking into account the results of the direct effect analysis presented in Table 8, it is found that the magnitude of the parameter coefficient for the variable X_2 on Y is 0.039 which means that there is a positive effect of X_2 on Y. Or it can be interpreted that the better the value of X_2, the Y will increase. A one-unit increase in X_2 will increase Y by 3.9% assuming the other exogenous latent variables are constant. Based on calculations using bootstrap or resampling, where the results of the estimated coefficient test X_2 on Y the bootstrap result is 0.039 with a t-count value of 0.625, the p-value is $0.537 > 0.05$ so that the second hypothesis (H2) GCG has a positive and significant effect on company value not proven or rejected.

H3. Earnings have a positive and significant effect on firm value

The results presented in Table 8 indicate that the parameter coefficient for variable X_3 on Y is 0.322, suggesting a positive impact of X_3 on Y. This implies that an improvement in the value of X_3 will lead to an increase in Y. Specifically, a one-unit increase in X_3 will result in a 32.2% increase in Y, assuming other exogenous latent variables remain constant. Through calculations using bootstrap or resampling, it was found that the estimated coefficient of X_3 on Y is 0.322, with a t-count value of 3.628 and a p-value of 0.000, which is less than 0.05. This confirms and supports the third hypothesis (H3) that profitability has a positive and significant influence on firm value.

H4. Capital has a positive and significant effect on firm value

The data analysis results, presented in Table 8, indicate that the coefficient of the variable X_4 on Y is -0.201, suggesting a negative impact of X_4 on Y. This implies that as the value of X_4 decreases, Y is likely to increase. Specifically, a one-unit decrease in X_4 would result in a 20.1% increase in Y, assuming the other exogenous latent variables remain constant. Through bootstrap or resampling calculations, the estimated coefficient for X_4 on Y is 0.201, with a t-value of 2.696 and a p-value of 0.007, which is less than 0.05. Consequently, this indicates that the fourth

hypothesis (H4) - stating that the capital has a positive and significant effect on firm value - is not supported and can be rejected.

Effect of Risk Profile on Firm Value

The study's results from data processing and hypothesis testing revealed that the risk profile has a notable and adverse impact on firm value. Lowering the risk profile variable could potentially boost the value of banking companies categorized under BOOK 4.

The study's findings align with the Signaling Theory of Spence, 1973, and numerous preceding studies that indicate the risk profile serves as a signal to investors about the company's value. Typically, investments either entail high risk and high return or low risk and low return. According to Markowitz (1952), investors can maximize their returns by selecting the ideal combination of the two based on an evaluation of their risk tolerance.

So, the findings of this research back up Spence's assertion, 1973 and Markowitz, 1952. The lower the risk profile of a company, the company's value will increase. The value of a company will decrease as its risk profile increases. Conversely, as the risk profile of a company rises, the company's value will decrease.

The risk profile indicates the company's ability to maintain business operations. If the risk is high, it can lead to bankruptcy, but if it is kept at a low level, it can enhance the company's performance.

The results of this study support the results of research from several other researchers such as Prabawati's research, 2021; Maimunah, 2019; Agustina, 2017 and Repi, 2016 which states that the risk profile has a negative and significant effect on firm value.

In addition, the results of this study do not support the research results of Yuliati, 2016; Anggarsini, 2018; Ardianingtyas, 2020 and Haq, 2022 which states that risk profile has no significant effect on company value.

The Effect of GCG on Company Value

The analysis of the data revealed that GCG had a favorable but not statistically significant impact on the value of the company. According to Jensen and Meckling's agency theory from 1986, it is crucial to have a clear distinction between owners and management, as their interests differ. Therefore, management should be supervised by an impartial board of directors. It is anticipated that effective supervision by independent directors will help reduce information asymmetry, thus enabling the company to accomplish its objectives. However, in this study using the composition of the independent board of commissioners as an indicator of GCG latent variables, it was found that the composition of the independent board of commissioners had no significant effect on firm value as measured by the PBV and Tobins'Q indicators.

The results of this study differ from several previous studies which state that there is a significant effect of the independent board of commissioners on firm value. Referring to the results of research by La Utu et al., 2015 this result is probably caused by the existence of the board of commissioners and their functions in banking, especially in BOOK (Business Category Commercial Bank) 4 category banks that have not been fully optimal and only as compliance with the provisions (compliance) that have been set by banking regulators in Indonesia.

Theoretically, good corporate governance creates corporate value through monitoring management, increasing the production and dissemination of information, and increasing investor recognition. But research by Huang, 2020 also got results similar to this study, namely GCG does not affect firm value. Using the exogenous increase in coverage by corporate governance analysts, it was found that, corporate governance does not have a significant effect on corporate value in Australia. The different sample composition, macroeconomic conditions, and institutional arrangements may be possible reasons for the insignificant results obtained.

The results of the study show that there is not enough evidence that GCG can have a significant effect on firm value. However, a positive sign indicates that the better the implementation of GCG through the supervision of an independent commissioner, the higher the value of the company.

The Effect of Profitability on Firm Value

The data processing results from hypothesis testing revealed a positive and significant impact of the profitability variable on firm value. Investors consider a company's profit-generating ability when making investment decisions. A company with strong profitability effectively manages its resources, attracting investor interest. Higher company profitability offers greater potential for investor returns and dividends. According to Spence's Signaling Theory (1973), profitability levels signal shareholder welfare and company prospects, influencing share demand and company value.

The results of this study support several studies that have been conducted by several previous researchers such as Jihadi, 2021; Dentika, 2021; Prabawati, 2021; Prakarsa, 2020; Endri, 2020; Ardianingtyas, 2020; Agustina, 2017; Yuliati, 2016 and Sabrin, 2016 which state that profitability has a positive and significant effect on firm value. The results of this study do not support Damaiati's research, 2019; Maimunah, 2019 and Juniar et al., 2021 which states that profitability does not affect firm value.

Effect of Capital on Firm Value

After conducting hypothesis testing on the processed data, it was determined that capital has a significant negative impact on firm value. The results of this study differ from Modigliani and Miller's theory (1963). The analysis showed that capital, as indicated by the DER, has a significant negative effect on firm value. As the company's debt increases, so do its risks and obligations to external parties, causing potential investors to reconsider investing in the company. Therefore, it is essential for banks to maintain the composition of their capital at an optimal value. Additionally, excessive capital has the potential to remain idle and not generate income for the bank.

In the context of fund banking companies, the largest debt composition comes from third-party funds (DPK). The DPK should be channeled effectively to the community in the form of loans. On the other hand, capital must also be needed to absorb risks that may arise for the company.

The findings of this research align with those reported by Yuliati in 2016, indicating that the capital indicator has a significant negative impact on firm value. However, this study utilizes CAR as an indicator for the latent variables of capital.

The basic goal of optimizing the capital structure is to decide on the proportion of various forms of debt and equity that maximizes firm value while minimizing the average cost of capital. (Cheng et al., 2010). If there is an increase in debt that is not accompanied by an increase in the company's capital, it will increase liabilities for the company. In addition, with a composition of debt that is greater than capital, there will be risks that arise in the future that can affect the value of the company.

Conclusions

Based on the results of the analysis and discussion that have been described previously, it can be concluded that:

1. The firm value is significantly and negatively impacted by the risk profile, as indicated by Non-Performing Loan (NPL) and Loan to Deposit Ratio (LDR) indicators. Therefore, a

reduction in the risk profile variable can lead to an increase in the company's value. NPL is the most powerful indicator for reflecting the risk profile.

2. The presence of an independent board of commissioners as an indicator of Good Corporate Governance (GCG) has a positive but not significant impact on company value. This implies that while higher GCG value may contribute to an increase in company value, the effect is not substantial.
3. ROA (Return on Assets) and ROE (Return on Equity) indicators positively and significantly impact firm value. Therefore, an increase in profitability can potentially drive up firm value. Reflecting profitability, ROA stands out as one of the indicators with the greatest influence.
4. Capital with the DER indicator (Debt to Equity Ratio) has a negative and significant effect on company value. This means that any reduction in the capital variable can increase firm value.

Policy Recommendations

Policy Recommendations that can be given by researchers related to this research are as follows:

1. The risk profile, profitability, and capital of banking institutions are proven to significantly impact the value of these companies. It is essential for banking management to focus more on these aspects;
2. The variable of good corporate governance (GCG) in this research does not yield a substantial impact on the value of the firm. However, it is essential for companies to consistently and correctly adhere to the prescribed guidelines set by the regulator when implementing GCG. The proper implementation of good GCG is anticipated to uphold the confidence of both investors and the public, who are stakeholders of the bank;
3. When considering investing in banking companies, investors should focus on the company's risk profile, profitability, and capital as these factors can impact the company's value;
4. For further research, indicators or other variables that have not been used in this study can be used, based on the results of the R square test, there are still 26.6% of other factors that influence firm value.

References

Agustiani, R. M. (2016). Pengaruh good corporate governance, return on asset, return on equity, BOPO, dan capital adequacy aatio terhadap nilai perusahaan Go Public di Bursa Efek Indonesia. *Jurnal Ilmiah Ekonomi Bisnis,* 21(2), 131–35.

Ahmad, G. N., Lullah, M, R., & Siregar, E. S. (2020). Pengaruh keputusan investasi, keputusan pendanaan, kebijakan dividen, dan ukuran dewan komisaris terhadap nilai perusahaan pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2016-2018. *Jurnal Riset Manajemen Sains Indonesia,* 11(1), 169–84. https://doi.org/10.21009/jrmsi.011.1.09.

Ambarwati, S., Astuti, T., & Azzahra, S. (2021). Determinan nilai perusahaan sebelum dan pada masa pandemic covid-19. *Business Economic, Communication, and Social Sciences (BECOSS) Journal,* 3(2), 79–89. https://doi.org/10.21512/becossjournal.v3i2.7415.

Anggarsini, N. W., & Suprasto, H. B. (2018). Pengaruh tingkat kesehatan bank dan corporate social responsibility pada nilai perusahaan perbankan. *E-Jurnal Akuntansi*: 1308. https://doi.org/10.24843/eja.2018.v25.i02.p19.

Ardiana, E., & Chabachib, M. (2018). Analisis pengaruh struktur modal, ukuran perusahaan dan likuiditas terhadap nilai perusahaan dengan profitabilitas sebagai variabel intervening (Studi Pada Perusahaan Consumer Goods Yang Terdaftar Di BEI Pada Tahun 2012-2016). *Diponegoro Journal of Management.* 7(2), 1–14.

Ardianingtyas, J. (2020). Pengaruh Tingkat Kesehatan Bank dengan Metode RGEC dan Ukuran Bank terhadap Nilai Perusahaan (The Effect of Bank Soundness with RGEC Method and Size on Firm Value). *JEKMA*, *1*(6).

Ardianto, C. N., & Suzan, L. (2021). Pengaruh profitabilitas, good corporate governance (GCG), dan umur perusahaan terhadap nilai perusahaan (Studi Pada Perusahaan Sektor Infrastruktur, Utilitas, Dan Transportasi Yang Terdaftar Di Bursa Efek Indonesia (BEI) Tahun (2015 – 2019). *e-Proceeding of Management,* 8(5), 5331–42.

Asriyani, R., & Mawardi, W. (2018). Analisis faktor-faktor yang mempengaruhi nilai perusahaan dengan profitabilitas sebagai variabel intervening (Studi Pada Bank Umum Go Public Yang Terdaftar Di Bursa Efek Indonesia Tahun 2012-2016). *Ekonomi dan bisnis,* 7(4), 1–15.

Ayuba, H., Bambale, A. J. A., Ibrahim, M. A., & Sulaiman, S. A. (2019). Effects of Financial Performance, Capital Structure and Firm Size on Firms' Value of Insurance Companies in Nigeria. *Journal of Finance, Accounting & Management*, *10*(1).

Balachandran, B., & Faff, R. (2015). Corporate governance, firm value and risk: Past, present, and future. *Pacific Basin Finance Journal,* 35, 1–12. https://doi.org/10.1016/j.pacfin.2015.07.002.

Belhaj, S., & Mateus, C. (2016). Corporate governance impact on bank performance: Evidence from Europe. *Corporate Ownership & Control,* 13(4), 583–97. https://doi.org/10.22495/cocv13i4c4p8.

Brigham, E. F., & Houston, J. F. (2018). *Dasar-dasar manajemen keuangan*. Jakarta: Penerbit Salemba Empat.

Cheng, Y-S., Liu, Y-P., & Chien, C-Y. (2010). Capital structure and firm value in China: A panel threshold regression analysis. *African Journal of Business Managemet*, 4(12), 2500–2507.

Chin, W. W. (1998). *The partial least squares approach to structural equation modeling - modern methods for busines research*. London: Lawrence Erlbaum Associates.

Damaianti, I. (2019). Pengaruh Good Corporate Governance (GCG), Profitabilitas, dan Leverage Terhadap Nilai Perusahaan. *Ekonam: Jurnal Ekonomi, Akuntansi & Manajemen*, *1*(2), 113-123. https://doi.org/10.37577/ekonam.v1i2.216.

Dentika, L., Sumail, L. O., & Ridjal, S. (2021). Pengaruh tatakelola terhadap nilai perusahaan perbankan: ROA Dan NPL sebagai mediasi. *Jurnal Ekonomi,* 26(2), 280–94. https://doi.org/10.24912/je.v26i2.751.

Dwi, E. H., & Pertiwi, W. (2021). Determinan nilai perusahaan (Studi Pada Bank Umum Yang Terdaftar Di Bursa Efek Indonesia Periode 2015-2019). *Jurnal Manajemen & Bisnis Kreatif*, 6(2), 81-106. https://doi.org/10.36805/manajemen.v6i2.1434.

Endri, E., & Fathony, M. (2020) (2020). Determinants of firm's value: Evidence from financial industry." *Management Science Letters,* 10(1), 111–20. https://doi.org/10.5267/j.msl.2019.8.011.

Falikhatun, D. M. K., & Wijayanto, A. (2020). Corporate governance and firm value. *Stability: Journal of Management & Business,* 3(1), 1-7. https://doi.org/10.26877/sta.v3i2.7776.

Gafoor, C. P. Abdul, V. M., & Thyagarajan, S. (2018). Board characteristics and bank performance in India. *IIMB Management Review,* 30(2), 160–67. https://doi.org/10.1016/j.iimb.2018.01.007.

Goddard, J., & John, O.S. W. (2017). *Banking: A very short introduction*. United Kingdom: Oxford University Press. https://doi.org/10.1093/actrade/9780199688920.001.0001.

Ghozali, Imam, and Henky Latan. 2012. *Partial Least Squares, Konsep, Teknik, Dan Aplikasi Menggunakan SmartPLS 2.0 M3*. Semarang: Badan Penerbit Universitas Diponegoro.

Hair, J. F. G., Hult, T. M., Ringle, C. M., & Sarstedt, M. (2016). *A primer on partial least squares structural equation modeling (PLS-SEM)*. New York: SAGE Publications, Inc.

Haq, Nur Afdhilul, Sri Murni, and Sjendry S. R. Loindong. 2022. "Analisis Pengaruh Tingkat Kesehatan Perbankan Terhadap Nilai Perusahaan Pada Bank Umum Kegiatan Usaha (Book) IV Di Masa Pandemi Covid-19 Periode 2020." *Jurnal EMBA* 10(1): 1376–87.

Huang, Peng, Yue Lu, and Marvin Wee. 2020. "Corporate Governance Analysts and Firm Value: Australian Evidence." *Pacific Basin Finance Journal* 63. https://doi.org/10.1016/j.pacfin.2020.101430.

Ikatan Bankir Indonesia. (2016). *Supervisi manajemen risiko bank*. Jakarta: PT Gramedia Pustaka Utama.

Israel, C, M. M., & Saerang, I. S. (2018. "Influence of capital structure, institusional ownership and firm size to company value at mining company listed on BEI. *Jurnal EMBA,* 6(3), 1118–27.

Jayanti, F. D. J. (2018). Pengaruh profitabilitas, struktur modal, likuiditas dan ukuran perusahaan terhadap nilai perusahaan. *Jurnal Bingkai Ekonomi,* 3(2), 34–44.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics,* 3, 305–60. https://doi.org/10.1016/0304-405x(76)90026-x.

Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The effect of liquidity, leverage, and profitability on firm value: Empirical evidence from Indonesia. *Journal of Asian Finance, Economics and Business*, 8(3), 423-431.

Juniar, A., Fadah, I, Utami, E. S., & Puspitasari, N. (2021). The effect of risk-based efficiency value on firm value: A case study in Indonesia. *Journal of Asian Finance,* 8(5), 231–39.

Krause, T. A., & Tse, Y. (2016). Risk management and firm value: Recent theory and evidence. *International Journal of Accounting and Information Management,* 24(1), 56–81. https://doi.org/10.1108/ijaim-05-2015-0027.

Kurnia, P., Darlis, E., & Putra, A. A. (2020). Carbon emission disclosure, good corporate governance, financial performance, and firm value. *Journal of Asian Finance, Economics and Business,* 7(12), 223–31. https://doi.org/10.13106/jafeb.2020.vol7.no12.223.

Kurniadi, A. (2018). "Pengaruh Tingkat Kesehatan Bank Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia Periode 2013-2016)."

Kusumawati, R., & Rosady, I. (2018). Pengaruh struktur modal dan profitabilitas terhadap nilai perusahaan dengan kepemilikan manajerial sebagai variabel moderasi. *Jurnal Manajemen Bisnis,* 9(2), 147-160. https://doi.org/10.18196/mb.9259.

Lawinataliani, W. P. (2016). Pengaruh governace good corporate terhadap nilai perusahaan dengan risiko kredit sebagai variabel intervening (Pada Perusahaan Perbankan Yang Terdaftar Di BEI). *Jurnal Magister Manajemen Universitas Mataram,* 5(3), 1-16. https://doi.org/10.29303/jmm.v5i3.92.

Lehmann, N.. (2019). Do corporate governance analysts matter? Evidence from the expansion of governance analyst coverage. *Journal of Accounting Research,* 57(3): 721–61. https://doi.org/10.1111/1475-679x.12254.

Maimunah, S., & Fahtiani, T. (2019). Pengaruh NPL, ROA, dan CAR terhadap PBV pada bank Bumn. *Jurnal Informasi, Perpajakan, Akuntansi, dan Keuangan Publik,* 14(1), 19-36. https://doi.org/10.25105/jipak.v14i1.5086.

Mehmetoglu, Mehmet, and Sergio Venturini. 2021. *Stuctural Equation Modelling With Partial Leas Squares Using Stata and R*. Boca Raton: CRC Press. https://doi.org/10.1201/9780429170362.

Mishkin, F. S. (2019). *The economics of money, banking, and financial markets*. United Kingdom: Pearson Education Limited.

Modigliani, F., & Miller, M. H. (1963). Corporate income taxes and the cost of capital: a correction. *The American economic review*, *53*(3), 433-443.

Mustikorini, A. (2019). Faktor-faktor yang mempengaruhi nilai perusahaan (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2018). *Diponegoro Journal Of Accounting,* 8(4), 1–10.

Nazariah, M., & Masytari, A. (2019). Pengaruh rasio keuangan terhadap nilai perusahaan (Perusahaan Manufaktur Sektor Industri Barang Konsumsi Yang Terdaftar Di BEI Tahun 2013-2017). *Jurnal Real Riset,* 1(2), 61-69.

Nguyen, L., Tan, T. K. P., & Nguyen, T. H. (2021). Determinants of firm value: An empirical study of listed trading companies in Vietnam. *Journal of Asian Finance,* 8(6), 809–17. https://doi.org/10.13106/jafeb.2020.vol7.no12.131.

Pitasari, D. N., & Baehaki, I. (2020). Kesehatan Keuangan Bank Terhadap Profitabilitas Dan Nilai Perusahaan Bank Bumn Di Bei 2015-2019. *Commodities, Journal of Economic and Business*, *1*(1), 64-76.

Prabawati, N. P. S., Pradnyani, N. D. A., & Suciwati, D. P. (2021). Pengaruh RGEC (Risk Profile, Good Corporate Governance, Earnings, dan Capital) terhadap Nilai Perusahaan (Studi Kasus Perusahaan Perbankan di BEI 2016-2018). *Jurnal Bisnis Dan Kewirausahaan*, *17*(1), 78-85. https://doi.org/10.31940/jbk.v17i1.2257.

Prakarsa, Rhevinalda Bima, Winwin Yadiati, and N. R. Handiani Suciati. 2020. "Pengaruh Risk Profile, Good Corporate Governance, Earning, Capital Terhadap Value of Firm Di Bursa Efek Indonesia." *Jurnal Maksipreneur: Manajemen, Koperasi, dan Entrepreneurship* 9(2): 137. https://doi.org/10.30588/jmp.v9i2.530.

Prihadi, T. (2020). *Analisis laporan keuangan : Konsep & aplikasi*. Jakarta: PT Gramedia Pustaka Utama.

Putranto, U. T. (2017). Pengaruh kinerja keuangan berdasarkan metode RGEC terhadap return saham perbankan di Bursa Efek Indonesia (BEI) Periode 2009-2016 (unpublished thesis). Yogyakarta: Universitas Islam Indonesia.

Raharja, K. A. H., & Putra, I. M. P. D. (2016). Risiko kredit sebagai pemoderasi pengaruh leverage dan ukuran perusahaan terhadap nilai perusahaan. *E-Jurnal Akuntansi Universitas Udayana,* 16(1), 645–74.

Renders, A., & Gaeremynck, A. (2012). Corporate governance, principal-principal agency conflicts, and firm value in European listed companies. C*orporate Governance: An International Review,* 20(2), 125–43. https://doi.org/10.1111/j.1467-8683.2011.00900.x.

Repi, S., Murni, S., & Adare, D. (2016). Faktor-faktor yang mempengaruhi nilai perusahaan subsektor perbankan pada BEI dalam menghadapi MEA. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi, 4*(1), 181-191.

Ristiani, R., & Santoso, B. H. (2018). Pengaruh tingkat kesehatan bank terhadap nilai perusahaan pada bank–bank umum yang terdaftar di Bursa Efek Indonesia. *Jurnal Ilmu dan Riset Manajemen,* 7(5), 1-20.

Robiyanto, R., Nafiah, I., Harijono. H., & Inggarwati, K. (2020). Pengaruh profitabilitas terhadap nilai perusahaan perhotelan dan pariwisata dengan struktur modal sebagai variabel intervening. *Jurnal Ilmiah Bisnis dan Ekonomi Asia,* 14(1), 46–57. https://doi.org/10.32812/jibeka.v14i1.153.

Sabrin, A., Sarita, B., Takdir, D., & Sujono, C. (2016). The effect of profitability on firm value in manufacturing company at Indonesia Stock Exchange. *The International Journal of Engineering and Science*, *5*(10), 81-89.

Sari, I. A. G. D. M., & Sedana, I. B. P. (2020). Profitability and liquidity on firm value and capital structure as intervening variable. *International research journal of management, IT and Social Sciences*, *7*(1), 116-127. https://doi.org/10.21744/irjmis.v7n1.828.

Schmidlin, N. (2014). *The art of company valuation and financial statement analysis*. Great Britain: John Wiley & Sons Ltd. https://doi.org/10.1002/9781119208020.

Setiawan, M. R., Susanti, N., & Nugraha, N. M. (2021). Pengaruh Struktur Modal, Perputaran Modal Kerja, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Owner: Riset Dan Jurnal Akuntansi*, *5*(1), 208-218. https://doi.org/10.33395/owner.v5i1.383.

Simoens, M., & Vander Vennet, R. (2021). Bank performance in Europe and the US: A divergence in market-to-book ratios. *Finance Research Letters*, *40*, 101672. https://doi.org/10.1016/j.frl.2020.101672.

Sondakh, P. I. S., & Samadi, R. (2019). Pengaruh struktur modal (ROA, ROE dan DER) terhadap nilai perusahaan (PBV) pada perusahaan sektor properti yang terdaftar Di BEI. *Jurnal EMBA,* 7(3),: 3079–88.

Sudiyatno, B., Puspitasari, E., Suwarti, T., & Asyif, M. M. (2020). Determinants of firm value and profitability: Evidence from Indonesia. *Journal of Asian Finance, Economics and Business,* 7(11), 769–78. https://doi.org/10.13106/jafeb.2020.vol7.no11.769

Sunardi, N. (2019). Mekanisme good corporate governance terhadap nilai perusahaan dengan leverage sebagai variabel intervening pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2012-2018. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, *2*(3), 48-61. https://doi.org/10.32493/frkm.v2i2.3002.

Sundus, N. H., & Komariah, E. (2017). Pengaruh ROA, CAR, NPL, LDR, BOPO terhadap nilai perusahaan bank umum. *Jurnal Akuntansi, Ekonomi dan Manajemen Bisnis,* 5(1), 14–25. https://doi.org/10.30871/jaemb.v5i1.448

Suranto, V., & Walandouw, S. (2017). Analisis pengaruh struktur modal dan kinerja keuangan terhadap nilai perusahaan pada perusahaan perbankan di Bursa Efek Indonesia. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi,* 5(2), 1031-1040.

Susanti, L., & Nidar, S. R. (2016). Corporate board and firm value perspective two-tier board system In Indonesia. *International Journal Of Scientific & Technology Research,* 5(5), 300–305.

Syaifuddin, D. T. (2008). *Manajemen Keuangan : Teori Dan Aplikasi*. Kendari: Unhalu Press.

Utu, L., & Syaifuddin, D. T. (2016). Determinants of earnings management: Studies at banks listed in Indonesia Stock Exchange. *Australian Journal of Basic and Applied Sciences,* 10(10), 295–306.

Wardhany, D. D. A., Hermuningsih, S., & Wiyono, G. (2019). Pengaruh profitabilitas, leverage dan ukuran perusahaan terhadap nilai perusahaan (Studi Empiris Pada Perusahaan Yang Tergabung Dalam Lq45 Pada Periode 2015-2018). *Ensiklopedia of Journal,* 2(1), 216–24.

Wulandari, D. A. E., & Mertha, M. (2017). Penerapan regulasi bank terkait penilaian RGEC dan dampaknya pada nilai perusahaan perbankan. *E-Jurnal Akuntansi Universitas Udayana,* 18(1), 790–817.

Yuliati, E., & Zakaria, Z. (2016). Analisis Risk, Earnings Dan Capital Terhadap Nilai Perusahaan Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2010-2014. *Future: Jurnal Manajemen dan Akuntansi*, *3*(2), 108-124.