ABSTRACT

THE INFLUENCE OF CREDIT RISK MANAGEMENT, GOVERNANCE AND COMPANY SIZE ON FINANCIAL PERFORMANCE (In Indonesian Financing Companies Listed on the Indonesian Stock Exchange for the 2018-2022 Period).

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The quality of financial performance each year is an important thing to consider in making policies and strategies that will be implemented in the next period. The financing industry in Indonesia is facing significant challenges due to the Covid-19 pandemic. The amount of financing distributed to the community and the ability to pay debtors are decreasing. This research aims to determine the influence of credit risk management, governance and company size on financial performance.

This research uses a quantitative approach because the data collected is in the form of numbers. The data used is secondary data from finance companies published by the Indonesian Stock Exchange in 2018-2022, totaling 17 companies. The data managed from credit risk management is from NPL (Non Performing Loan) data, governance from the number of members of the board of directors and the number of board of commissioners, company size from total company assets, company financial performance calculating the BOPO ratio (Operating expenses operating income. In the selection The sample was carried out using a purposive sampling method. This research uses panel data regression data analysis.

The results of this research show that credit risk management variables have an effect on financial performance, governance variables which are proxied by the board of commissioners have an effect on financial performance, governance variables which are proxied by the board of directors has no effect on financial performance, company size has no effect on financial performance, credit risk management, governance is proxied by the board of commissioners and board of directors, and company size has an effect on financial performance.

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