

## ABSTRACT

*In a global uncertainty situation such as the Covid-19 pandemic, the resilience of the banking sector is a strategic concern, especially for commercial banks owned by local governments because of their crucial role in maintaining economic stability at the regional level. Since the Covid-19 pandemic broke out at the end of 2019, there has been a slowdown in economic growth and a decline in the performance of the banking sector, including the profitability of commercial banks. This study aims to analyze the extent to which risk disclosure, the number of risk monitoring committee members, and risk committee activities affect the level of bank profitability, as measured by the Return on Asset (ROA) and Return on Equity (ROE) indicators. In addition, to compare conditions before and during the pandemic, a different test method with a paired sample t-test was used.*

*The approach used in this study is quantitative. Hypothesis testing H1 to H6 was carried out using the regression method, while hypotheses H7a to H7e were tested using the paired sample t-test. The results of the first regression analysis revealed that only hypothesis H1 was supported, namely that risk disclosure had a positive and significant effect on ROA ( $t = 2.525$ ;  $p = 0.013$ ). On the other hand, hypotheses H2 and H3 are rejected because neither the number of risk committees nor the activities of the committees show a significant effect on ROA ( $t = -1.741$ ;  $p = 0.084$  and  $t = -1.923$ ;  $p = 0.056$ ). The coefficient of determination ( $R^2$ ) value in the first model is 0.078, which means that 7.8% of the variation in ROA can be explained by the independent variables.*

*In the second regression model, only hypothesis H5 is accepted, where the number of risk committees has a significant positive effect on ROE ( $t = 2.019$ ;  $p = 0.045$ ). Meanwhile, H4 and H6 are rejected because risk disclosure and risk committee activities are not proven to have a significant effect on ROE ( $t = -0.920$ ;  $p = 0.359$  and  $t = -1.695$ ;  $p = 0.092$ ). The  $R^2$  value of 0.055 indicates that the model is only able to explain 5.5% of the variation in ROE. Furthermore, the results of the difference test using the paired sample t-test showed that only hypotheses H7c, H7d, and H7e were accepted. Risk committee activity was recorded to have increased significantly during the pandemic ( $t = -2.048$ ;  $p = 0.044$ ), while there was a significant decrease in ROA ( $t = 3.446$ ;  $p = 0.001$ ) and ROE ( $t = 4.920$ ;  $p = 0.000$ ) during the period. On the other hand, H7a and H7b were rejected because no significant differences were found in terms of risk disclosure ( $t = -1.000$ ;  $p = 0.320$ ) and the number of risk committees ( $t = -1.211$ ;  $p = 0.230$ ) before and during the Covid-19 pandemic.*

**Keywords:** *Risk Disclosure, Number of Risk Committees, Risk Committee Activity, ROA, ROE, Covid-19 Pandemic, Regional Government-Owned Commercial Banks.*