

**THE EFFECT OF RISK MANAGEMENT AND THIRD-PARTY FUND ON
THE FINANCIAL PERFORMANCE OF ISLAMIC COMMERCIAL
BANKS**

(Empirical Study on Islamic Commercial Banks in 2017-2019)

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ABSTRACT

The purpose of this study was to find empirically the effect of Financing Risk, Operational Risk, Liquidity Risk, Market Risk, Yield Risk, and Third-Party Funds on Islamic Banking Financial Performance. The data in this study used financial reports to be obtained from the websites of each bank. The population used in this study was Islamic Commercial Banks in 2017-2019. The sampling technique in this study used purposive sampling with a sample size of 33 Islamic Public Banks. This study was conducted using descriptive statistical test methods, normality test, multicollinearity test, autocorrelation test, heteroscedasticity test, multiple linear analysis, determination coefficient test (R^2), test F, and t-test. The data processing program used the SPSS version 20 software program. The result of this study stated that Operational Risk which was proxied by BOPO and Market Risk which was proxied by NOM had a significant effect on the Financial Performance of Islamic Commercial Banks in 2017-2019. Meanwhile, the Financing Risk was proxied by NPF, Liquidity Risk was proxied by FDR, Return Risk was Proxied by Grading, and Third-Party Funds was proxied by TPF did not have a significant effect on the Financial Performance of Islamic Commercial Banks in 2017-2019.

Keywords: ROA, NPF, FDR, BOPO, NOM, Grading, TPF

