

ABSTRACT

The aim of this study was to analyze the effect of bank risk on bank performance. Bank risks in this study were consists of eight risks required in Peraturan Bank Indonesia No. 11/25/PBI/2009 are operating risk, market risk, credit risk, liquidity risk, compliance risk, legal risk, strategy risk, and reputation risk. Bank performance is seen through the Economic Value Added. The population in this study were all commercial banks in Indonesia. The total sample used was 82 companies selected by purposive sampling method. The analysis technique of this study used multiple regression analysis with SPSS 22. The results of the study showed that operational risk, credit risk, compliance risk, and legal risk have a significant negative effect on EVA. Liquidity risk, market risk, and strategic risk have insignificant negative results on EVA. While Reputation risk has a significant positive effect on EVA. Together, bank risk has a significant effect on EVA.

Keywords: Operational Risk, Market Risk, Credit Risk, Liquidity Risk, Compliance Risk, Legal Risk, Strategic Risk, Reputation Risk, Economic Value Added