ABSTRACT

This study aims to analyze the effect of liquidity risk, credit risk, operational risk, and Net Interest Margin (NIM) on bank stability in Indonesia. Bank stability is measured using the Z-score Return On Asset, liquidity risk is measured using the Loan to Deposit Ratio, credit risk is measured using Non Performing Loans, operational risk is measured using Operating Costs to Operating Income.

The population in this study are conventional commercial banks that present complete financial reports during the 2018-2022 period. The population in this study was 72 banks. The sampling technique used in this study was purposive sampling and obtained a sample of 72 banks. The analysis method used in this study is panel data regression using the E-views 9 program.

The results of this study indicate that liquidity risk has a negative but not significant effect on bank stability. Credit risk has a positive and significant effect on bank stability. Operational risk has a negative and significant effect on bank stability. Net Interest Margin has a positive but not significant effect on bank stability.

Keywords: Liquidity risk, Credit Risk, Operational Risk, Net Interest Margin, Bank Stability.