

## ABSTRACT

*This study aims to analyze the effect of financing risk and Islamic financing structure on the stability of Islamic Commercial Banks in Indonesia. This research is motivated by the increasing financing risk reflected in the Non-Performing Financing (NPF) ratio, liquidity pressure proxied by the Financing to Deposit Ratio (FDR), and the dynamics of Islamic financing composition that may affect bank stability. In addition, inconsistencies in previous empirical findings regarding the determinants of bank stability necessitate a more comprehensive analysis.*

*This research employs a quantitative approach using multiple linear regression analysis. The data used are secondary data derived from annual reports of Islamic Commercial Banks for the period 2021–2024. The sampling technique applied is purposive sampling, resulting in 43 observations. The dependent variable is bank stability proxied by the Z-score, while the independent variables include Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Profit-Sharing Financing (PBH), and Trade-Based Financing (PJB).*

*The results indicate that partially, NPF and FDR have a negative and significant effect on bank stability, implying that higher financing risk and liquidity pressure tend to reduce bank stability. In contrast, PBH has a positive and significant effect, while PJB has a negative and significant effect on stability. Simultaneously, all independent variables significantly influence bank stability. The adjusted  $R^2$  value of 0.588 indicates that the model explains 58.8% of the variation in bank stability. These findings highlight that financing quality management, liquidity control, and an optimal financing structure are crucial in maintaining the stability of Islamic Commercial Banks.*

*Keywords: Bank Stability, Non-Performing Financing, Financing to Deposit Ratio, Profit-Sharing Financing, Trade-Based Financing.*