

ABSTRACT

Prior research investigating the impact of financing, liquidity, and operational policies on financial performance has provided valuable, yet often inconsistent and contradictory, findings. Recognizing the potential influence of overlooked moderating factors, this study examines the role of Independent Commissioners (ICs) in shaping the relationship between these core policies and the financial performance of Islamic People's Economic Banks (BPRS). The research focuses on BPRS operating within the jurisdiction of the Financial Services Authority (OJK) Jabodebek office in Indonesia during the period 2019–2023.

Employing a purposive sampling method, a final sample of 24 BPRS was selected for analysis. The study utilized a rigorous methodological approach encompassing descriptive statistics, classical assumption tests, linear regression, and Moderated Regression Analysis (MRA) to test the hypothesized relationships.

The findings indicate that both financing and liquidity policies have a positive and significant effect on financial performance. In contrast, operational policy exhibits a negative and significant impact. Furthermore, the study reveals that Independent Commissioners significantly moderate the relationship between financing policy and financial performance. However, the moderating influence of ICs on the relationships between liquidity policy and financial performance, and between operational policy and financial performance, was not statistically significant. These results contribute nuanced insights into the interplay of financial and operational strategies, and the role of corporate governance mechanisms, within the specific context of the Indonesian Islamic banking sector.

Keywords: Financing Policy, Liquidity Policy, Operational Policy, Independent Commissioner, Financial Performance