ABSTRACT

This research intends to analyze the influence of Operational Risk (Operational Cost to Operational Income or BOPO), Credit Risk (Non Performing Loan) and Liquidity Risk (Loan to Asset Ratio) on Total Loan and Interest Income or Profit Sharing Income (in Islamic Banking), and also to analyze the differences in the level of efficiency of Conventional Commercial Bank (BUK) and Islamic Commercial Bank (BUS). It examines arrange of data set from BUK and BUS with total assets between Rp. 40 trillion to Rp. 70 Trillion and the status of the Exchange Bank between 2008-2012. As such, the goal of this research is to determine whether there are comparative differences in efficiency between Conventional Commercial Banks (BUK) and Islamic Commercial Bank (BUS) with a risk management approach.

The researcher utilizes purposive sampling method with eleven Commercial Banks from period 2008-2012. A multiple regression is employed for the analysis technique. Classical assumption used includes normality test, multi co-linearity test, heteroscedasticity test and auto correlation test. T-test, F-test and Determination Coefficient are conducted in part of Goodness of Fit assessment model. DEA (Data Envelopment Analysis) was used to measure the relative efficiency value. Independent Sample T-Test is carried out to find out whether there are comparative differences in the relative efficiency of Conventional Commercial Banks and Islamic Banks.

Findings from this research conclude that BOPO has significantly negative effect on the total loan, LAR does not have any effect on the total loan, NPL has significantly negative effect on the total loan, BOPO has no effect on interest income/profit sharing, LAR has significantly negative effect on interest income/profit sharing and NPL does not have any effect on interest income/profit sharing. Based on independent sample t-test result, it can be inferred that, there is a significant difference from the value of the relative efficiency of Conventional Commercial Banks (BUK) and Islamic Commercial Bank (BUS).

Keywords: Operational Risk, Liquidity Risk, Credit Risk, BOPO, LAR, NPL, Total Loan, Interest Income, Profit Sharing Income and Data Envelopment Analysis (DEA)

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