The Effect of Liquidity and Solvency Ratios on the Financial Performance of Conventional Banking for the 2019-2023 Period

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Abstract

Background - This study aims to determine the influence of liquidity ratio and solvency on financial performance. The data used in the study is quantitative data. Quantitative research method is a type of research whose specifications are systematic, planned and structured clearly from the beginning to the creation of the research design. The population in the study is all conventional banking companies totaling 47 banks registered on the Indonesia Stock Exchange (IDX). The data source in this study is secondary data. Secondary data is a data source that does not directly provide data to the data collector, for example through other people or through documents. The results of this study show that liquidity and solvency variables have a significant effect on financial performance. Liquidity and solvency variables have a negative and significant effect on financial performance.

Purpose - This study aims to determine the influence of liquidity ratio and solvency on financial performance.

methodology - The data used in the study is quantitative data. Quantitative research method is a type of research whose specifications are systematic, planned and structured clearly from the beginning to the creation of the research design.

Findings - The results of this study show that liquidity and solvency variables have a significant effect on financial performance. Liquidity and solvency variables have a negative and significant effect on financial performance.

Originality - Liquidity variables have a negative and significant effect on financial performance. Solvency variables have a negative and significant effect on financial performance. Liquidity and solvency variables have a significant effect on financial performance.

Keywords: Liquidity, Solvency, Financial Performance
