ABSTRACT


Advisor : Dwi Sulistiani, SE., MSA., Ak., CA

Key Word : Financial Ratio, Bank Performance

Bank plays an important role in the community economy. Hence, it is necessary to do an assessment on the bank performance. The study aims to examine whether banking financial ratio consisting of the ratio of profitability, liquidity, and solvency influence the bank performance.

The research employs a quantitative method with a comparative descriptive approach. It uses a secondary data obtained from BEI. The testing uses a multiple linear regression by considering a classical assumption test including normality, multicollinearity, heteroscedasticity, and autocorrelation test.

From the results of the simultaneous tests shows that the whole financial ratios of profitability, liquidity, and solvency influence the bank financial performance. It emphasizes that all financial ratios does influence the financial performance. The result of partial test shows that the profitability ratio takes part in the bank performance decrease, while the bank liquidity and solvency ratio does not influence the bank performance. Profitability ratio decrease is due to the economic condition. The fact that liquidity and solvency have no influence ratios indicates that both of these ratios were steady at that time.