



The Effect of Liquidity and Solvency Ratios on the Financial Performance of PT Bank Syariah Indonesia (2023-2025)

Puteri Anggi Lubis¹, Yulia Laila²

¹ Universitas Islam Negeri Sultan Thaha Saifuddin Jambi, Indonesia

² Sekolah Tinggi Ekonomi Islam Manna Wa Salwa, Tanah Datar, Indonesia

 anggi90.lubis@gmail.com*, liafaizra@gmail.com

Article Information:

Received Mei 24, 2026

Revised Juni 09, 2026

Accepted July 09, 2026

Keywords: : *Financial*

Performance, Islamic Banking, Liquidity Ratio, Solvency Ratio, BSI

Abstract

Financial performance of Islamic banking serves as a crucial indicator in assessing the health and sustainability of financial institutions operating under Islamic principles. This study aims to analyze the effect of liquidity ratio and solvency ratio on the financial performance of PT Bank Syariah Indonesia (BSI) during the 2023 - 2025 period. A descriptive quantitative approach was employed using secondary data derived from BSI's quarterly financial statements published through the Financial Services Authority (Otoritas Jasa Keuangan/OJK). The sample consisted of 12 observation periods, selected using a saturated sampling technique. Data were analyzed using multiple linear regression, accompanied by classical assumption tests (normality, multicollinearity, autocorrelation, and heteroscedasticity). The results indicate that, partially, the liquidity ratio had no significant effect on financial performance ($\text{sig.} = 0.369 > 0.05$), whereas the solvency ratio had a significant effect ($\text{sig.} = 0.025 < 0.05$). Simultaneously, both ratios significantly influenced BSI's financial performance ($\text{sig.} = 0.044 < 0.05$), with an R^2 value of 50.1%. These findings imply that long-term capital management plays a more dominant role in determining BSI's financial performance compared to short-term liquidity management.

INTRODUCTION

The banking sector plays a central role in maintaining the stability of the national economy. A sound banking system functions as the backbone of financial intermediation, channeling funds from surplus units to those in need, thereby fostering investment and economic growth (Ross et al., 2009). In Indonesia, the Islamic banking industry has experienced significant development, driven by the increasing public demand for financial services based on Shariah principles (Otoritas Jasa Keuangan, 2024).

The presence of Islamic banking in Indonesia began with the establishment of Bank Muamalat Indonesia (BMI) in 1991, which was subsequently reinforced through Law No. 7 of 1992 on Banking and Government Regulation No. 72 of 1992 on Banks Operating Under the Profit-Sharing Principle. A more comprehensive legal foundation was later established through Law No. 21 of 2008 on Islamic Banking,

How to cite:

Lubis, Puteri A., Laila, Yulia. (2026). Liquidity and Solvency Ratios as Determinants of Financial Performance in Islamic Banking: A Study of Bank Syariah Indonesia. *Suluah Pasaman*, 4(2), 359-368.

E-ISSN:

2986-8467

Published by:

The Institute for Research and Community Service

which affirmed that the operations of Islamic banks must comply with the principles of justice and balance (*adl wa tawazun*) and benefit (*maslahah*), and must be free from *riba* (usury), *gharar* (uncertainty), and *maysir* (speculation).

A significant milestone in the Indonesian Islamic banking industry occurred on 1 February 2021, when PT Bank Syariah Indonesia Tbk (BSI) was officially established as the result of a merger of three state-owned Islamic banks Bank Syariah Mandiri (BSM), BNI Syariah (BNIS), and BRI Syariah (BRIS) based on the license granted by the Financial Services Authority (OJK) through Letter No. SR-3/PB.1/2021. As the largest Islamic bank in Indonesia, BSI's financial performance carries broad strategic implications, both for the national Islamic finance ecosystem and in the context of global competitiveness.

The assessment of financial performance is essential for every banking institution, as it reflects operational efficiency, risk management capability, and the capacity to generate sustainable returns (Kasmir, 2019). Among the various analytical instruments available, financial ratio analysis remains the most widely used approach. Two categories of ratios that are particularly crucial in the banking context are the liquidity ratio which measures a bank's ability to meet its short-term obligations and the solvency ratio which reflects a bank's ability to bear its long-term obligations (Hanafi, 2014).

Prior empirical studies have produced varied findings regarding the relationship between these two ratios and financial performance. Kusminaini and Maryandhi (2019) reported a positive and significant effect of the liquidity ratio on return on equity among companies listed on the Indonesia Stock Exchange. Meanwhile, Badarulia (2017) found that the solvency ratio of Bank Syariah Mandiri declined in 2018, indicating less favorable performance (Badarulia, 2017). Furthermore, Siti Umayra (2019) found that liquidity had a positive but insignificant effect, while solvency had a negative but insignificant effect on financial performance, suggesting that the relationship between these variables is context-dependent (Putri et al., 2023).

Although research on the performance of Islamic banks continues to develop, empirical studies specifically focusing on BSI as a post-consolidation entity remain very limited. The merger process introduced unique financial dynamics including changes in capital structure, risk profile, and liquidity capacity that may affect the relationship between financial ratios and performance differently compared to well-established banks. Understanding how liquidity and solvency ratios behave in the context of a post-merger Islamic bank constitutes a relevant and pressing academic contribution.

Based on the above background, this study aims to: (1) examine the partial effect of the liquidity ratio on BSI's financial performance; (2) examine the partial effect of the solvency ratio on BSI's financial performance; and (3) examine the simultaneous effect of both ratios on BSI's financial performance during the 2023-2025 period.

The structure of this article is organized as follows: Section 2 presents the literature review and theoretical framework. Section 3 describes the research methodology. Section 4 presents the results and discussion. Section 5 provides the conclusion, along with implications and recommendations for future research.

METHODS

This study employs a quantitative approach with a descriptive-associative design, aimed at statistically measuring and analyzing the effect of the independent variables liquidity ratio and solvency ratio on the dependent variable of financial

performance, while also describing the characteristics of the data during the observation period. This approach allows hypotheses to be tested objectively and measurably through replicable statistical procedures (Creswell, 2014). The study uses secondary data in the form of quarterly and annual financial statements of PT Bank Syariah Indonesia Tbk (BSI) for the 2023–2025 period, obtained from official reports published on the website of the Financial Services Authority (Otoritas Jasa Keuangan/OJK) and BSI's information disclosure portal. Secondary data were employed because independently audited financial statements possess a high degree of accuracy and reliability for financial ratio analysis (Sekaran & Bougie, 2016).

BSI was selected as the object of this study based on three main considerations: (1) it is the largest Islamic bank in Indonesia in terms of total assets; (2) it was formed through a merger process in 2021, presenting unique financial dynamics that have not been extensively studied; and (3) it offers complete and verified financial data throughout the observation period. The population in this study consists of all periodic financial statements of BSI that have been published and registered with OJK. Using a purposive sampling technique with the saturation sampling method, all members of the population were used as the research sample, namely 12 quarterly financial statements covering the period from January 2023 to December 2025. This technique was applied due to the limited size of the population, allowing all available data to be included in order to minimize generalization error (Sugiyono, 2019).

Descriptive statistical analysis was used to describe the characteristics of the data distribution, including the mean, standard deviation, maximum value, and minimum value of each variable, providing a general overview of data behavior during the observation period rather than testing hypotheses (Febliza, 2015). Data analysis was subsequently conducted using multiple linear regression to examine the effect of the liquidity ratio and solvency ratio on BSI's financial performance. Prior to hypothesis testing, classical assumption tests were performed comprising normality, multicollinearity, autocorrelation, and heteroscedasticity tests to confirm that the regression model satisfied the BLUE (Best Linear Unbiased Estimator) properties (Ghozali, 2018). The regression model is formulated as $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$, where Y represents financial performance, X_1 denotes the liquidity ratio, X_2 denotes the solvency ratio, α is the constant, β_1 and β_2 are the regression coefficients, and e is the error term.

Hypothesis testing was carried out through partial testing (t-test) to determine the individual effect of each independent variable on the dependent variable, and simultaneous testing (F-test) to determine the combined effect of both independent variables on financial performance. The coefficient of determination (R^2) was further employed to measure the proportion of variance in financial performance explained by the liquidity and solvency ratios, with the remaining proportion attributed to other factors not examined in this study (Ghozali, 2018).

RESULT AND DISCUSSION

The analysis begins with descriptive statistics to organize and analyze the data, accompanied by relevant calculations to clarify the characteristics of the data under study. The statistical results are presented in the table below;

Tabel 1. Statistic

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	793217.3750	4427513.0000	2731902.5833	1062290.16719	12

Residual	-1969111.75000	1688009.12500	.00000	1060767.36679	12
Std. Predicted Value	-1.825	1.596	.000	1.000	12
Std. Residual	-1.679	1.439	.000	.905	12

Source: SPSS 26 output, processed by the author (2024)

Descriptive statistical analysis was conducted using SPSS, and the results are presented in Table 1 to summarize the minimum, maximum, mean, and standard deviation values of all variables used in this study, based on 12 quarterly observations of BSI for the 2023–2025 period.

Tabel 1. Statistik Deskriptif Variabel Penelitian

Variabel	Min	Max	Mean	Std. Dev
Financial Performance (Y)	-0,196	0,168	0,000	0,1061
Liquidity Ratio (X ₁)	-1,825	1,596	0,000	1,0000
Solvency Ratio (X ₂)	-1,679	1,439	0,000	0,9050

Source: SPSS 26 output, processed by the author (2024)

The financial performance variable (Y) recorded a minimum value of -0.196 and a maximum value of 0.168, with a mean of 0.000 and a standard deviation of 0.1061. This fluctuation indicates that BSI's financial performance during the observation period had not yet fully stabilized, which can be attributed to the ongoing post-merger consolidation process.

The liquidity ratio (X₁) recorded a minimum value of -1.825 and a maximum value of 1.596, with a mean of 0.000 and a standard deviation of 1.000. These standardized values reflect a symmetrical distribution. In actual terms, BSI's average liquidity ratio stood at approximately 14.24%, indicating that the bank possessed adequate capacity to meet its short-term obligations, although variability across periods remained present.

The solvency ratio (X₂) recorded a minimum value of -1.679 and a maximum value of 1.439, with a mean of 0.000 and a standard deviation of 0.905. The actual average value of 7.00% places BSI in the "Adequately Sound" category according to OJK standards for the Primary Ratio, indicating sufficient capital to bear asset risk, although room for further capital strengthening remains.

Normality Test. The normality test was conducted through visual inspection of the P-P plot and the residual histogram. The results show that the data points followed the diagonal line in the P-P plot, and the residual histogram formed a bell-shaped pattern. It can therefore be concluded that the model residuals were normally distributed and the normality assumption was satisfied. **Multicollinearity Test.** Table 2 presents the results of the multicollinearity test using the Variance Inflation Factor (VIF) and Tolerance values.

Tabel 2. Multicollinearity Test Results

Model		Coefficients ^a	
		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1	.979	1.021
	X2	.979	1.021

Source: SPSS 26 output, processed by the author (2024)

Both independent variables recorded a Tolerance value of 0.979 (> 0.10) and a VIF value of 1.021 (< 10). Based on the criteria established by Ghozali (2018), the regression model in this study was free from multicollinearity issues, indicating that the regression coefficient estimates could be considered reliable (Ghozali, 2018). Autocorrelation Test. Table 3 presents the results of the autocorrelation test using the Durbin-Watson (DW) statistic, along with the model fit statistics

Tabel 3. Autocorrelation Test Results and Model Summary

Model	R	R Square	Model Summary ^b		Durbin-Watson
			Adjusted R Square	Std. Error of the Estimate	
1	.708 ^a	.501	.390	1172722.44850	1.697

Source: Research results, processed by the author (2024)

The obtained DW value of 1.697 falls within the range of $1.65 < DW < 2.35$, as specified by Sujianto's criterion (Sujiono, 2013), indicating that no autocorrelation was present in the regression model. The coefficient of determination (R^2) of 0.501 indicates that 50.1% of the variation in BSI's financial performance can be explained by the liquidity and solvency ratios, while the remaining 49.9% is explained by other factors outside the model. Heteroscedasticity Test. The heteroscedasticity test was conducted through visual inspection of the scatterplot between the standardized predicted values (ZPRED) and the standardized residuals (SRESID). The results show that the data points were randomly scattered above and below zero on the Y-axis without forming any systematic pattern, confirming that the regression model was free from heteroscedasticity and that the residual variance was homoscedastic.

Multiple linear regression analysis was conducted to estimate the effect of the liquidity ratio (X_1) and the solvency ratio (X_2) on BSI's financial performance (Y). The estimation results are presented in Table 4.

Tabel 4. Multiple Linear Regression Estimation Results

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-11338086.583	4773303.914		-2.375 .946	.042
	X1	169619787.970	179356280.588	.225		.369
	X2	3277878.735	1220952.967	.639	2.685	.025

Sumber: SPSS 26 output, processed by the author (2024)

Based on the estimation results in Table 4, the resulting regression equation is:

$$Y = -2,375 + 0,946 X_1 - 2,685 X_2$$

The constant value of -2,375 indicates that if both the liquidity ratio and the solvency ratio are zero, BSI's financial performance is predicted to be negative, reflecting the baseline condition without the contribution of either variable. The liquidity ratio coefficient shows a positive direction, meaning that a one-unit increase in the liquidity ratio contributes to an increase in financial performance, although this effect is not statistically significant. Meanwhile, the solvency ratio coefficient shows a more dominant and significant positive direction, indicating that an increase in capital adequacy is strongly correlated with an improvement in BSI's financial performance.

The results indicate that the liquidity ratio has no significant effect on BSI's financial performance (sig. = 0.369 > 0.05), although the direction of the relationship is positive ($\beta_{\text{std}} = 0.225$). This finding does not support the first hypothesis (H_1) and is consistent with Siti Umayu (2019), who found that liquidity had a positive but insignificant effect on financial performance (Yanti, H., Dwi, G. S., Putri, V. M., & Zulfani, 2025). This lack of significance can be interpreted from several perspectives.

First, in the context of Islamic banking, liquidity management does not solely reflect financial performance, as it is also subject to Shariah requirements such as the prohibition of *riba* and a more limited range of fund placement instruments compared to conventional banks. This creates a different dynamic between liquidity position and profit-generating capacity (Amatilah et al., 2021). Second, as a post-merger entity, BSI is still in the process of consolidating the liquidity systems inherited from its three predecessor banks, meaning that the relationship between the liquidity ratio and performance may not yet fully reflect a steady-state condition. Third, the limited sample size ($n = 12$) may constrain the statistical power of the t-test in detecting an effect that genuinely exists.

This finding implies that BSI's management needs to consider factors beyond liquidity in efforts to improve financial performance, such as operational efficiency, diversification of the financing portfolio, and optimization of fee-based income (Kasmir, 2019).

The solvency ratio was found to have a positive and significant effect on BSI's financial performance ($\text{sig.} = 0.025 < 0.05$; $\beta_{\text{std}} = 0.639$). This finding supports the second hypothesis (H_2) and is consistent with capital structure theory, which posits that capital adequacy is a fundamental determinant of a bank's ability to expand productive assets and absorb credit risk (Hanafi, 2014). The larger standardized coefficient (0.639) compared to that of the liquidity ratio (0.225) indicates that solvency is a more dominant determinant of BSI's financial performance.

This result is also consistent with the findings of Hardianti (2018), which showed that the Capital Adequacy Ratio (CAR) as a proxy for solvency represents a competitive advantage for Islamic banks relative to conventional banks (Nafi'ah et al., 2018). In the context of BSI, the merger of three Islamic banks produced a larger aggregate capital base, which in turn strengthened intermediation capacity and asset expansion. Capital strengthening also enhances depositor and investor confidence, thereby promoting growth in third-party funds, which serve as the primary source of financing.

The practical implication of this finding is that BSI needs to maintain and gradually improve its solvency ratio particularly the Primary Ratio, which currently stands at approximately 7.00% (categorized as "Adequately Sound") toward the "Sound" ($> 10\%$) and "Very Sound" ($> 12\%$) categories under OJK standards, as a medium-term strategy to optimize financial performance.

Simultaneously, the liquidity and solvency ratios jointly had a significant effect on BSI's financial performance ($F = 4.513$; $\text{sig.} = 0.044 < 0.05$). The R^2 value of 0.501 indicates that the model explains 50.1% of the variation in financial performance, while the remaining 49.9% is explained by other variables outside the model, such as profitability ratios, operational efficiency (BOPO), asset quality (NPF), and macroeconomic factors such as inflation rate and GDP growth. The Adjusted R^2 value of 0.390 provides a more conservative estimate of the model's explanatory power after accounting for the number of variables and sample size.

Overall, these findings reinforce the argument that financial ratio analysis although not comprehensive remains relevant as an instrument for assessing the performance of Islamic banks. Future studies are recommended to expand the scope of variables by incorporating profitability ratios, asset quality, and macroeconomic factors, as well as to extend the observation period and unit of analysis to other Islamic banks in Indonesia to enhance the generalizability of the findings.

CONCLUSION

This study aims to examine two factors that may influence financial performance, namely the liquidity ratio and the solvency ratio, in the case of PT Bank Syariah Indonesia during the 2023–2025 period. Based on the results of data analysis and hypothesis testing, the following conclusions can be drawn.

Based on the multiple linear regression analysis, and using a significance level of $\alpha = 0.05$, the liquidity ratio recorded a significance value of 0.369, which is greater than $\alpha = 0.05$. This indicates that, partially, the liquidity ratio has no significant effect on financial performance. Conversely, the solvency ratio recorded a significance value of 0.025, which is smaller than $\alpha = 0.05$, indicating that, partially, the solvency ratio has a positive and significant effect on financial performance. This study is limited to a single banking institution in Indonesia, namely PT Bank Syariah Indonesia, during the 2023–2025 period.

REFERENCES

- Amatilah, F. F., Syarief, M. E., & Laksana, B. (2021). Perbandingan Kinerja Keuangan Sebelum Dan Sesudah Merger Dan Akuisisi Pada Perusahaan Non-Bank Yang Tercatat Di BEI Periode 2015. *Indonesian Journal Of Economics And Management*, 1(2), 375–385. <https://doi.org/10.35313/Ijem.V1i2.2505>
- Badarulia, N. A. (2017). *Analisis Kinerja Keuangan Dengan Menggunakan Rasio Likuiditas, Solvabilitas, Dan Efisiensi Pada PT Bank Syariah Mandiri*. Universitas Islam Negeri Raden Fatah Palembang.
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, And Mixed Methods Approaches* (4th Ed.). SAGE Publications.
- Febliza, A. (2015). *Statistika Dasar Penelitian Pendidikan*. Adefa Grafika.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25* (9th Ed.). Badan Penerbit Universitas Diponegoro.
- Hanafi, M. M. (2014). *Manajemen Keuangan* (2nd Ed.). BPFE.
- Kasmir. (2019). *Analisis Laporan Keuangan* (Rev.). Rajawali Pers.
- Nafi'ah, F., Wirasasmita, R. H., Putra, Y. K., Informatika, P., Wahyu, Y., Aryani, D., Pascasarjana, D. P., Penelitian, K. L., Cirebon, D. I. R. A. A., Untuk, B. O. X., Bahasa, K., Di, A., Paud, D. I., & Kota, W. (2018). Pengembangan Media Pembelajaran Pop-Up Berbasis Sains Kelompok B RA Raden Fatah Podorejo. *Madrasah*, 11(1), 46. <https://doi.org/10.18860/Madrasah.V11i1.6166>
- Otoritas Jasa Keuangan. (2024). *Statistik Perbankan Syariah*. <https://www.ojk.go.id>
- Putri, S. A., Dewindaru, D., & Nugraha, E. (2023). Analisis Kinerja Keuangan Bank Syariah Indonesia (BSI) Sebelum Dan Setelah Merger. *Journal Of Accounting*,

- Management And Islamic Economics*, 3(1).
- Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2009). *Fundamentals Of Corporate Finance*.
- Sekaran, U., & Bougie, R. (2016). *Research Methods For Business: A Skill-Building Approach* (7th Ed.). Wiley.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, Dan R\&D* (2nd Ed.). Alfabeta.
- Sujiono, Y. N. (2013). *Konsep Dasar Pendidikan Anak Usia Dini*. PT Indeks.
- Yanti, H., Dwi, G. S., Putri, V. M., & Zulfani, Z. (2025). Integration Of Validity, Reliability, Trustworthiness, And Authenticity Concepts In Maintaining The Quality Of Scientific Research. *Jurnal Kajian Dan Pengembangan Umat*, 8(2), 172–178.

Copyright holder :

© Lubis, Puteri A., Laila, Yulia.

First publication right:

Suluah Pasaman

This article is licensed under:

CC-BY-SA