

ABSTRACT

Background: Good financial performance can improve efficiency and effectiveness in achieving corporate goals. This study focuses on determining the impact of liquidity, company size, leverage, and dividend policy on the financial performance of financial sector companies listed on the Indonesia Stock Exchange from 2020 to 2023. Financial performance is proxied by ROA and ROE.

Method: The research data uses 54 company samples over 4 years obtained through purposive sampling. Data analysis in this study uses multiple linear regression with IBM SPSS 25 software.

Result: The findings of this study indicate that liquidity has a significant positive effect on ROA, company size has a significant negative effect on ROA, while leverage and dividend policy do not have a significant effect on ROA. Furthermore, Liquidity and Firm Size do not significantly affect ROE, while Leverage and Dividend Policy have a significant positive effect on ROE.

Keywords: Financial Performance, ROA, ROE, Liquidity, Firm Size, Leverage, Dividend Policy

