

## **ABSTRACT**

*A company's Return on Assets (ROA) is a vital metric reflecting the profitability and optimal performance of a bank. However, fluctuations in ROA during the period under review raise concerns regarding the factors influencing this phenomenon. This study aims to examine the relationship between Solvency which measured by Debt to Equity Ratio (DER) and Liquidity which measured by Loan to Deposit Ratio (LDR) with moderated effects from bank size.*

*The research was conducted using a sample of banks listed on the Indonesia Stock Exchange (IDX) from 2020 to 2024. The sample was selected through purposive sampling, comprising a total of 29 banks meeting specific criteria. The analytical approach employed was panel data regression analysis, with the Random Effects Model used as the preferred method to directly assess the relationships between independent variables and ROA. A Moderated Regression Analysis (MRA) was additionally employed to investigate the moderating influences of the relationships under consideration.*

*The findings indicate that DER exerted a statistically significant negative impact on ROA. Conversely, LDR demonstrated an insignificant positive effect on ROA. Moreover, bank size was found not to moderate either relationship. In summary, diverse relationships were identified between these variables and ROA.*

*Keywords: Return on Assets (ROA), Debt to Equity Ratio (DER), Loan-to-Deposit Ratio (LDR), Bank Size.*

