

ABSTRACT

This study aims to examine the effect of Promotion Cost, Education Cost, Base Lending Rate (SBDK) and Fee Based Income (FBI) on Return on Asset (ROA) with Loan to Deposit Ratio (LDR) as intervening variable.

This study was conducted on conventional commercial banks listed on the Indonesia Stock Exchange in the period of 2012-2015. This research is done by path analysis method and sample selection using purposive sampling method. The sample of this research is 19 banks listed on the BEI in the period of 2012-2015. Researchers tested the normality, multicollinearity, fit models, and residual covariance in this study.

The results of this study found that Base Lending Rate (SBDK) have a significant influence on LDR variables, while Promotion Cost and Education Cost have no significant relationship. From the partial test, obtained the result that Base Lending Rate (SBDK) have significant negative relation to LDR. Significant relation also happened to LDR, Education Cost, and Fee Based Income (FBI) to ROA, while Promotion Cost and Base Lending Rate (SBDK) have no significant relationship. The results obtained that Education Costs have a significant positive effect, while FBI and LDR has a significant negative effect on ROA. In addition, LDR is also able to mediate between Base Lending Rate (SBDK) to ROA. Adjusted R Square of 14.7% to LDR and 59.0% to ROA which means variations (14.7%) LDR and (59.0%) ROA respectively can be explained by Promotion Cost, Education Cost, SBDK, and FBI variables.

Keywords: Promotion Cost, Education Cost, Base Lending Rate (SBDK), Fee Based Income (FBI), Loan to Deposit Ratio (LDR), Return on Asset (ROA)