ABSTRACT

THE INFLUENCE OF CAPITAL ADEQUACY RATIO (CAR) AND LOAN TO DEPOSIT RATIO (LDR) ON LOANS AT PT. BANK RAKYAT INDONESIA (PERSERO) TBK

This research examined the implementation of banking financial performance in terms of capital (CAR) and liquidity (LDR) and how much its influence on loans simultaneously and partially. CAR and LDR at PT. Bank Rakyat Indonesia (Persero) Tbk are not suitable with loan growth.

This research using descriptive, explanatory and surveys method. The samples consisting 28 period of the PT. Bank Rakyat Indonesia (Persero) Tbk Quarterly Consolidated Financial Statements 2004-2010. To determine the effect of CAR and the LDR on loans made statistical testing using path analysis, determination coefficient and hypothesis testing with the F test and t test.

Based upon the research, the result showed CAR and LDR has significant effect on loans simultaneously. CAR influences negatively and significantly toward loans partially, it means if there is a decrease of CAR, loans can be predicted will be increase. LDR influences positively and significantly toward loans it means when LDR increase, loans also will be increase. Coefficient of determination showed simultaneously CAR and LDR contributed 62,6% on loans, with 37,4% the remaining influenced by other banking financial performance such as ROA and NPL..

Keywords : Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Loans