ABSTRACT

Capital Adequacy Ratio (CAR) is first factor which become consideration in determining the amount of defrayal to be given for the next period. Besides that Loans Interest Rate earnings is especial earnings to bank. In practice of BI policy about Loans Interest Rate SBI become reference by public bank to increase or degrade Loans Iterst Rate.

The purpose of this study was to determinate the effect of CAR, Loans Interest Rate on Loans Volume.

The method has been used in this research is descriptive method and verifikatif method. Descriptive method use to describe the variable CAR, variable Loans Interest Rate of Loans Volume. Used Sampel in this research is financial statement 2003-2009 counted 7 sampel. To determine the effect of CAR and Loans Interest Rate on Loans Volume this used stastical tests.The statistic test that has been used is multiple regression analisys trough the stages of classical assumptions test, reression analisys, partial correlation analisys, determination coefficient and hypothesis test by using SPSS 17.0 for windows.

The results of this study indicate that CAR and Loans Interest Rate have a strong relationship to Loans Volume. Besides that CAR and Loans Interest Rate have influence to Loans Volume and the magnitude of the effect it amounted to 96,4%, and the rest influenced by the other factors; third party fund (DPK) and Non Performing Loan (NPL).

Keywords: ***Capital Adequacy Ratio*** **(CAR), Loans Interest Rate and Loans Volume**