

ABSTRACTS

This research aims to analyse the effect of Capital Adequacy Ratio (CAR), Return on Assets (ROA) and Loan to Deposit Ratio (LDR) towards on Time Deposit interest rate on Commercial Bank. The population in this research are all commercial bank had still in operation during the year 2009. The sample collection techniques in this research using purposive sampling that samples taken under the criteria used by the researchers. Samples taken as many as 18 commercial banks in 2006-2008.

Based on this research, regrestion formula had found as : $Y = 0,110 - 0,547ROA + 0,008LDR + 0,009CAR - 0,023DUMMY1 + 0,009DUMMY2$. The regression formula can be interpreted that ROA regression coefficient showed a negative direction means the increase in ROA will decrease the determination of deposit rates, LDR coefficient indicates a positive direction, meaning the increase in LDR will raise the deposit rate and the determination of the coefficient of CAR showed a positive direction, meaning the increase would raise the CAR determination deposit rates. Negative Dummy1 coefficient showing that dummy's score 0 value is higher than a dummy's score 1. Dummy2 whereas positive regression coefficient indicates a dummy's score 1 value higher than the dummy's score 0.

Conclusion from this research describe that statistical result of ROA variable show negative influence significant towards on Time Deposit interest determination, CAR variable doesn't have significant influence towards Time Deposit interest determination and, LDR variable doesn't have significant influence towards Time Deposit interest determination. Adjusted R^2 value on this research is 0,675, this mean that 67,5% of interest variable could be explained by independent variables ROA, LDR, CAR and, DUMMY and 32,5% remnant of these explained by variables outside not listed in the formula.

Keywords: CAR, ROA, LDR, Time Deposit Interest Rate