

ABSTRACT

Interest spread was difference between interest rate of time deposit with interest rate of credit it mean that which level of interest spread obtained by banking industry, indicate larger also the benefit earn by related bank. The purpose of this research was to found and examine interest rate of time deposit and interest rate of credit concerning interest spread State Banks and Private Nasional Banks on 2006 to 2009. Whereas interest rate of time deposit influenced by interest rate of Bank Indonesia Certificates and Capital Adequacy Ratio, whereas interest rate of credit were influenced by Cost of Fund, Overhead Cost and Non Performing Loan.

Research sample used about 27 banks consist of State Bank and Private Nasional Bank whereas used method was purposive sampling it was such collection sample method that taken objected by certain criteria. Data analysis used path analysis started by classical assumption test including normality, muticolonierity, and covariant residual test.

Data analysis result or path analysis result within first model showed that interest rate of Bank Indonesia Certificates has not significant affect on interest rate of time deposit, whereas CAR has not significant affect on interest rate of time deposit. Second model showed that Cost of Fund has significant affect on interest rate of credit, whereas Overhead Cost and NPL have not significant affect on interest rate of credit. Third model showed that both interest rate of time deposit and interest rate of credit have significant affect on interest spread. Determination coefficient (adjusted R square) was about 0,997 or 99,7 percent. This case showed that 99,7 percent interest spread was influenced by both interest rate of time deposit and interest rate of credit. Whereas the remainder about 0,3 percent influenced by other factors out of research model.

Keywords: Interest Rate of Bank Indonesia Certificates, Capital Adequacy Ratio, Cost of Fund, Overhead Cost, Non Performing Loan, Interest Rate of Time Deposit, Interest Rate of Credit and Interest Spread Rate