ABSTRACT

The aim of this research is to analyze the factors which influence liquidity sufficiency at public’s banks in Indonesia. The factors are Fund of Society, Loan to Deposit Ratio (LDR) and Capital Adequacy Ratio (CAR).

The data used in this research is time series data during quarterly I in 2003 until quarterly IV in 2008 which employ econometric model and using statistical analyse tools. The method used in this research is Ordinary Least Square (OLS). Based on the interpretation shows that determination coefficient (R^2) is 92.42%. It means that independent variables, Fund of Society (X_1), Loan to Deposit Ratio (X_2) and Capital Adequacy Ratio (X_3) affects the dependent variable (liquidity) as much as 92.42%. And the 7.58% remain is explained by other variables which is not included in this estimation model.

Result of regression show in the reality factor, Fund of Society doesn’t have significant influencing. Mean while, Loan to Deposit Ratio and Capital Adequacy Ratio has significant influence to the liquidity sufficiency at public’s bank in Indonesia.

Key words: Liquidity Sufficiency, Fund of Society, Loan to Deposit Ratio, and Capital Adequacy Ratio.