ABSTRACT

The aim of this study was to obtain empirical evidence about the effect of deposits from third parties, capital adequacy ratio, non performing loan, return on assets, and loan to deposit ratio towards sum of loans in Indonesia. Independent variables used in this study were deposits from third parties was analyzed by LnDPK, Capital adequacy ratio, Non performing loan, Return on assets, and Loan to deposit ratio. Independent variable used form the year before (t-1), year observation from 2006-2008. Dependent variable used in this study is total of loans was analyzed by Lnloans, year observation from 2007-2009.

Study's sample was banking companies listed in Indonesia Stock Exchange (IDX) period among 2006-2009. Data was collected by purposive sampling method. Total 23 banking companies were taken as study's sample. The method of analysis of this research used multi regression.

The result of this research showed that deposits from third parties, Return on assets, and Loan to deposit ratio had a positive significant effect to total of loans. Meanwhile, capital adequacy ratio and non performing loan had not significant effect to total of loans.

Key Words: *deposit from third parties, capital adequacy ratio, non performing loan, return on assets, loan to deposit ratio, loans*