ABSTRACT

Bank is a financial institution that function as an intermediary by receiving deposits from the public and then channeled back in the form of credit. The research was motivated because of non optimal distribution of bank loans. So the study was conducted to obtain evidence about the effect of deposit from third parties, loan to deposit ratio, capital adequacy ratio, non performing loan, return on assets, and Bank Indonesia certificates to total of loans.

This study used a sample of commercial banks listed on the Indonesia Stock Exchange (IDX) in the year 2007 to 2010 as many as 21 banking companies that have met the criteria specified, so that when multiplied by years of research it will get a sample of 63 banking data point to use. The method of analysis used in this study is that by using multiple linear regression analysis method.

Tests have been performed in this study gives the result of that deposit from third parties, loan to deposit ratio, a significant positive effect to total of loans. Meanwhile, capital adequacy ratio, return on assets, Bank Indonesia certificates were not significant and positive impact of non performing loan is not significant negative effect to total of loans.

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