

## **ABSTRACT**

*Bank is the financial institution possessing function as the financial intermediary. Bank accepts the money savings from the society and then redistributes them upon the credit. The credit distribution creates opportunity to complete investment, distribution, and also the consumption of good and service, considering that the entire activities are related to the money usage.*

*The research background is the existence of phenomenon of the non-optimized banking credit distribution. It is shown with loan to deposit ratio (LDR) that is still upon the expectation of Bank Indonesia. Thus, it needs to have testing of factors that influence the policy of banking credit distribution, including Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), and the interest of Bank Indonesia Certificate (SBI). This research uses Commercial Bank in the complete term as one research object, upon the research period of year 2005 - 2009 (monthly). The analysis technique used is doubled linier regression, whereas the hypothesis test uses t-test to examine the variable influence jointly upon the significance level of 5%.*

*Based upon the research, there is a result that the Third Party Fund (DPK) influences positively and significantly toward the banking credit distribution. Capital Adequacy Ratio (CAR) and Non Performing Loan (NPL) influences negatively and significantly toward the banking credit distribution. The interest of Bank Indonesia Certificate (SBI) influences positively and insignificantly toward the banking credit distribution. In order to increase the credit distribution of Commercial Bank it needs to have optimal funding activity, optimize the usage of the capital possessed, and possess the good credit management so that NPL will be still in the low level and upon the required limit by Bank Indonesia.*

**Key Words :** *the banking credit distribution, Loan to Deposit Ratio (LDR), Commercial Bank, Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), dan interest of Bank Indonesia Certificate (SBI)*