

ABSTRACT

In Indonesia banking industry, bank is defined as the institution which has intermediary function that collects funds from the public in the form of deposits and distributes it to the public in the form of credit and / or other forms in order to improve the society's living standard. It is aimed to support the implementation of national development. It is purposed to improve the spread of development and its results, economic growth and national stability, towards improving the society's living standard. Loan to Deposit Ratio (LDR) is one of indicators which can be used to measure the bank's performance in Indonesia. Based on the Circular Letter published by Bank of Indonesia, the amount of LDR has to be in 85%-110%.

This study aims to analyze whether or not Third Party Funds, Return on Asset (ROA)_{t-1}, Non Performing Loan (NPL), and Operations Expenses to Operations Income have significantly effect towards Loan to Deposit Ratio (LDR) in Foreign-Owned Banks and Foreign-Exchange Commercial Banks in 2004-2009. Sampling technique used was purposive sampling in which, both Foreign-Owned Banks and Foreign-Exchange Commercial Banks reported their financial statements and did not do mergers and acquisitions during this study period. From those criteria, there were ten Foreign-Owned Banks and twenty Foreign-Exchange Commercial Banks which were used in this study. Analytical techniques used were t-test and multiple regressions.

The result of this study showed that the data in this study were normally distributed. Based on multicollinearity test, heteroscedasticity test, and autocorrelation test, there was not found deviation variable from Assumptions Classical test. It meant that the data which were used in this study have fulfilled the requirements of using multi linier model. From the analysis, it showed that Third Party Funds, ROA_{t-1} and NPL in partial, significantly affected LDR in Foreign-Owned Banks in less than 5% significantly level. While, Third Party Funds, ROA_{t-1}, NPL and Operations Expenses to Operations Income significantly affected LDR in Foreign-Exchange Commercial Banks in less than 5% significantly level. F-Chow test in this study showed 2,28, while F-table showed 1,96. Therefore, it could be concluded that F-Chow test was higher that F-table (2,28 > 1,96). It meant that there were significantly differences between those four variables towards LDR in Foreign-Owned Banks and Foreign-Exchange Commercial Banks.

Key Words: DPK, *Return on Asset (ROA)_{t-1}*, *Non Performing Loan (NPL)*, BOPO dan *Loan to Deposit Ratio (LDR)*