

ABSTRACT

Bank is one of financial institution that has an important role in the economy of a country as a financial intermediary (an intermediary institution) between parties which excess of funds and lack of funds. One of the bank activities in the productive sector is credit distribution or lending. This research aims to examine the influence of Third Party Funds, Capital Adequacy Ratio (CAR), Return on Assets (ROA), and Loan to Deposit Ratio (LDR) towards credit distribution on commercial bank in the period of 2000-2014. This research uses secondary data obtained from Indonesian Banking Statistic at Bank Indonesia in 2000-2014. The method used in this research is panel data regression with fixed effect approach (fixed effect model).

Based on the results of the research showed that the Third Party Fund, the Return on Asset (ROA), and Loan to Deposit Ratio (LDR) are gives positive and significant effect on credit distribution of commercial bank. While the Capital Adequacy Ratio (CAR) gives negative and insignificant effect on credit distribution of commercial banks.

Keywords: Third Party Funds; Capital Adequacy Ratio (CAR); Return on Assets (ROA); Loan to Deposit Ratio (LDR); Credit Distribution