

ABSTRACT

Financial institutions have a role to accelerate economic growth in a region especially in developing countries like Indonesia. This study use panel data covering 22 provinces in Indonesia during the period 2013-2017 assess the behavior and determinants of financial inclusion in the Indonesia. Increased population density has a beneficial impact on the deposit penetration. The level of income had a positive impact on the deposit penetration means that economic conditions are important to the improvement of financial inclusion. The proportion of the plant and its employees have a positive impact on financial inclusion means that income and employment creation or make people more active, aware and interested in banking activities and contribute to financial inclusion.

Keywords: *Financial Inclusion, Data Panel, Fixed Effect Model*