ABSTRACT

Performance management in managing the bank's capital can be seen through one of the financial ratios are Capital Adequacy Ratio (CAR) which is an indicator of the ability of the bank to cover or offset a decline in its assets as a result of bank losses caused by risky assets. This study aimed to analyze the effect of bank size, loan, and deposit risk to the Capital Adequacy Ratio (CAR).

This study uses secondary data sources with data derived from the financial statements of banking companies going public in the Indonesia Stock Exchange in the period 2007-2012. Sampling was purposive sampling method with the provisions of the banking company is not delisted in period 2007-2012 and the company has complete financial data with respect to the study variables . Analysis tools using classical assumption test, multiple linear regression analysis, t test, F test, and the coefficient of determination.

Based on the results of regression testing regression equation: CAR = 22,370 + 37,310 *LNSIZE* – 8,747*LNLOAN* + 0,200 *RISK* – 30,166 *LNDEP*. *While the results of hypothesis testing can be concludedthat: (1) bank size positive affect the Capital Adequacy Ratio (CAR). (2) Loans negatively affect the Capital Adequacy Ratio (CAR). (3) Risk has no effect on the Capital Adequacy Ratio (CAR). (4) Deposit negatively affect the Capital Adequacy Ratio (CAR)*

Keywords : ***bank size , loan , risk , deposits and Capital Adequacy Ratio***