ABSTRACT

This study describes the relationship between corporate governance with financial performance on corporate banking. Indicators used to describe corporate governance in this study consists of independent commissioners, Board of Directors, Audit Committee, Institutional Ownership, and Leverage. The method of analysis used in this study is multiple regression, because in accordance with the purpose of this study was to analyze the influence of independent variables on the dependent variables. Samples used in this study were all conventional banking companies listed on the Indonesia Stock Exchange (BEI) in the period 2010-2013. To determine the selection of the sample used purposive sampling method. By using this method the company are obtained 29 banking companies that will be serve as samples in this study. From the results of testing this hypothesis, directing that the independent commissioners, and leverage are not significant to the financial performance of banking. The results also indicate the board of directors, audit committees, and institutional ownership are significant effect on the financial performance of banking firms.

Keywords: Corporate Governance, Return On Asset (ROA), leverage, and Financial Performance of Banking Companies.