

ABSTRACT

This study aims to analyze the factors of corporate governance mechanism that affect the corporate financial performance in Regional Development Bank. Independent variables used in this study are board of commissioner, board of director, audit committee, risk committee, audit quality, blockholder ownership and whistleblowing system. Size is used as a control variable.

The population of this research is the Regional Development Bank (BPD) in periode 2010-2013. Data obtained from the bank's annual report in 2010-2013 that obtained from the website of each sample and the Indonesian stock exchange's website. The method of analysis used to analyze the effect of independent variables on the dependent variable is the linear regression. The method used to determine the sample was purposive sampling, which of these methods obtained a sample of 80 Regional Development Bank.

The results of this study indicate that (1) the commissioners had significant effect on financial performance proxied by CAR, but commissioners did not have the significant positive relationship to performance is proxied by NIM and LDR (2) The board of directors has no significant negative relationship to financial performance (3) The audit committee has no significant negative relationship on performance (4) risk monitoring committee was positively related to financial performance proxied by NIM with LDR and negative but not significant to the performance of the proxy with CAR (5) independent commissioners have the positive relationship with performance financial proxied by CAR and negative financial performance proxied by NIM and LDR (6) audit quality have the positive relationship with financial performance proxied by CAR and negative financial performance proxied by NIM and LDR (7) controlling shareholder has a significant positive relationship to performance is proxied by NIM and LDR but negatively affect the performance of the proxy with the CAR (8) whistleblowing system has a positive relationship to performance is proxied by CAR and LDR but negatively to performance proxied by NIM.

Keywords: corporate governance, bank performance, board of commissioners, board of directors, audit committee, risk monitoring committee, an independent commissioner, audit quality, controlling shareholder, whistleblowing system, company size.