

ABSTRACT

This study aims to examine the effects of corporate governance mechanism on the financial performance of banking. Financial performance is calculated by using CFROA, meanwhile the corporate governance mechanism determined by variable board of commissioners, board of directors, and firm size.

The sample in this study were banking companies listed in Indonesian Stock Exchange (IDX) in a periode 2010-2012. The number of sample used were 23 companies listed were taken by purposive sampling. The method of analysis of this research used multi regression.

The result of this research showed that board of commissioners had negative and significant influence to financial performance; board of directors had positive and significant influence to financial performance; and firm size had negative and significant influence financial performance.

Keywords: *Corporate Governance, board of commissioners, board of directors, firm size.*