ABSTRACT

Many assess the feasibility or value of a company or organization based on financial performance, both government and private agencies. Because basically the performance goal is to motivate personnel to achieve organizational goals and comply with predetermined standards of behavior, so as to produce actions and results desired by the organization.

This study aims to determine the effect of Good Corporate Governance on Financial Performance in state-owned commercial bank companies for the 2011-2018 period. GCG Disclosures are based on Institutional Ownership, the Board of Directors, Independent Commissioners and the Audit Committee. Financial performance is proxied by profitability using ROA.

The type of data used in this study is secondary data in the form of annual reports and continuous reports. This study uses a saturated sample technique to obtain 4 company samples. The data analysis technique used panel data regression which was processed using EViews 10 software.

The results of this study indicate that the Institutional Ownership Disclosure, the Board of Directors, Independent Commissioners, and the Audit Committee simultaneously has positive effect on Financial Performance. Institutional ownership, Independent Commissioners and the Audit Committee partially have no effect on financial performance. the Board of Directors have partially effect on financial performance.

Keywords: Institutional Ownership, Board of Directors, Independent Commissioners, Audit Committee, Good Corporate Governance, ROA, Financial Performance