

ABSTRACT

The emerging scandals of many companies cause vast economic damages, especially in financial sector. Frauds upon annual reports lead companies go bankrupt. Thus, some actions must be taken to overcome those conditions. One of them is by implementing corporate governance mechanisms to stock exchange listed companies. The corporate governance mechanisms are expected to improve companies' management through some disclosures. By identifying factors of corporate governance disclosure on banking industries hopefully can improve the whole financial system. The purpose of this study is to analyze factors of corporate governance disclosure which consist of dispersion ownership, company size, profitability, listing age, and the board of commissioner size in Indonesia Banking Industries using corporate governance disclosure indexes. This study will provide illustration about what factors influence corporate governance disclosure. The research population is 93 banks. 71 banks were selected as samples using purposive sampling method. Three year company annual reports of 2009 to 2011 are used as secondary data sources of this research. Furthermore, the disclosure index technique is used to get the data of CG disclosures. The results indicate that company size is the only factor influencing corporate governance disclosure in Indonesia Banking Industries. Keywords: corporate governance disclosure index, banking industry, company size