

## **ABSTRACT**

Banking and corporate relationships play an important role on the performance of the company and has its own advantages and risks when established good relationships between banks and companies. This study aimed to verify whether the number of banks that have relationships with companies and lending relationships affect the performance of the company. There are 54 companies manufacturing and obtained a sample of 133 data samples in 2009-2012. The results of this study are a variable number of banks that have a relationship with the company proved negative effect on firm performance. While the total credit relation variable no proven effect on firm performance.

**Keyword : Banking Relationship, Firm Performance, Credit Financing**