Investigation of Relationship between Corporate Governance with Risk-Taking and Performance of Iranian Banks

Shadi Eshghi*, dr. sina kheradyar,

The purpose of this study is to investigate the relationship between corporate governance with risk-taking and performance in Iranian banks. In this context, corporate governance mechanisms including board independence, board size, ownership percentage of CEO and board members that as an independent variable and risk-taking of banks which is measured by default risk, determined as a dependent variable. The control variables of this study also including banks size, financial leverage ratio, annual returns of bank shares, Hyrshman- Herfindal index, GDP growth rate, annual inflation rate and the ratio of loans to total assets of banks. The study population is consisted all banks listed on the Tehran Stock Exchange that after using systematic elimination, 13 banks have been ed as a sample in 5-year period 1390 to 1394. In order to analyze the information in this section, multivariate regression analysis has been used to assess the relationship between variables and the source of data collection have been extracted by visiting the Bank's financial statements, board activity reports, and Rahavard Novin software. The results showed that through corporate governance the independent variables of board independence and percent ownership of the CEO and board members with banks risk-taking and also among corporate governance, independent variables of board size and percent ownership of the CEO and board members have a significant relationship with bank performance.

Keywords : Keywords: corporate governance, risk-taking, performance, banks

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