Examines the relationship between corporate governance mechanisms and financial performance of banks Drbvrs Exchange

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Abstract Corporate governance is among the most important issues that, because of the extensive financial scandals in big companies in recent years, has attracted the attention of many researchers and has been discussed as an important subject for investors. In fact, corporate governance investigates the management monitoring and separates the economic unit monitoring economic unit ownership and finally protects the rights of the investors and the beneficiaries. This research seeks to investigate the relationship between corporate governance and financial performance of banks. The statistical population of this research consists of all the registered banks in Tehran stock exchange, of which 7 banks are ed as the sample. The information is collected during a 10-year period 1383 to 1392 using Rah-Avard Novin Software. Then the data ae analyzed through regression method and the panel data are analyzed by Eviwes 6 Software. The analysis results for the first model indicate that there is a relationship between all the corporate governance variables, except the separation of president CEO position the board of directors. As such, when compared to other banks, Pasargad bank had an average rank among the other banks in corporate governance effect on the return on assets. The second model also showed a significant relationship between the indices of government-owned share percentage, the ratio of non-executive to executive managers, and the amount of management ownership and return on equity. In analogy, Pasargad bank stock return is comparatively less affected by corporate governance than other banks.

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