

Corporate Governance and Bank Risk Taking

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ABSTRACT

This paper investigates the relationship between the corporate governance and the risk taking of Taiwan banking industry. We divided the corporate governance into three dimensions: the board structure, ownership structure, and external control factors, and upon the World Bank (2000) proposed structure of each element of corporate governance are classified as internal oversight external supervision or external supervision, trying to find the dimensions of bank decision making prior objective standards and supervision of bank risk after the realization of the risk factors. The results show that elements of effective internal oversight board size and percentage of shares held by directors, as the larger board size, the lower the risk incurred by the banks after the event, while the higher percentage of shares held by directors, the lower the risk of bank decision making prior. Elements of an effective external oversight independent supervisor ratio and institutional ownership ratio, which each area could effectively the prior decision of bank risk after the risk to their commitments, and to play a supervisory function. Among them, the independent supervisors are more effective than play special set of independent supervisors will be able to bank decision to pursue a higher risk of pre-paid, but it can also reduce the risk banks take the post. 內容目錄 中文摘要 iii 英文摘要

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