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| Abstract |
| Banks and Financial Institutions play a crucial role in the economy of all countries. Growth of any economy depends on stability of its financial sector. This research paper shows the stability of financial sector through the corporate governance & risk taking behavior of financial sector of Bangladesh from the year 2000 to 2017. From the Altman z score model, credit risk model & liquidity risk model the soundness of the financial institution‟s health has been identified. Most of the institutions don‟t maintain the standard of finance gap, liquidity gap & proper loan deposit ratio. The impact of corporate governance on the advance to deposit ratio demonstrates how aggressive a company to take risk. Random-effects on GLS regression model has been used to fit the dataset. Only the size of the company has significant negative relationship on risk taking ratio which is advance to deposit ratio (ad ratio). The influence of age and board size has insignificant negative relationship on the ad ratio. The number of independent director, board meeting and audit committee meeting has a positive insignificant influence on the advance to deposit ratio of banks & financial institutions of Bangladesh. This paper is bringing some recommendations to improve the stability of the financial sector. |
| Sustainable Development Goal(s) (SDG) |
| Goal 9: Industry, Innovation and Infrastructure |