

*"The impact of corporate governance on the credit
risk management practices in the banking sector of
Pakistan:
A study of three banks"*



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Abstract

This research is an attempt to analyze the impact of corporate governance on the credit risk management practices in the banking sector of Pakistan. Corporate governance is a comparatively new phenomena in Pakistan, therefore there are a lot of aspects regarding this topic that can be discovered but are not yet been explored by any researcher. Taking this chance, the researcher examines the relationship between corporate governance and the credit risk management. The study analyses this relationship in terms of frequency of the board meetings, the structure of the board, code of corporate governance, training and audit committee. The empirical framework designed is applied to the major operating banks in Pakistan. A detailed questionnaire analysis has been carried out to show the compliance of the financial institutes with the code of corporate governance. Regression and correlation analyses have been carried out to analyze the results. The T-test shows that all the considerable variables have some effect on the credit risk management. The study shows that sound corporate governance is essential for the operation of a financial institution and has a significant impact on the credit risk management practices of the banking sector in Pakistan.

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In the name of Allah,
the most beneficent, the most merciful

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Dedication

Dedicated to

Those eyes, who dream of my success

To those hands, which are raised to pray for me

To those who work hard for my happiness

To my parents and my grandfather (late)

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