

The Effect of Board of Directors Characteristics and Ownership Structure on the Financial Performance of Commercial Banks listed on Amman Stock Exchange (ASE).

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Abstract

This study aims to examine the **effect of Board of Directors Characteristics and Ownership Structure on the Financial Performance of Jordanian Commercial Banks listed on Amman Stock Exchange (ASE)**. The study sample consisted of all Jordanian commercial banks listed on ASE which include (13) banks. To achieve the aims of the study, the study used a descriptive analytical approach, pooled regression model to test the hypotheses, The methodology of this research is based on collected data from the annual reports and disclosures of the banks listed on (ASE) for the period of 2016 to 2018. The independent variables were represented by the board of directors characteristics, which include (board size, board meetings, the independence of the board and women's board membership) as well as the ownership structure, which include (family ownership, foreign ownership, the general manager as a shareholder, and **Concentrated ownership**. while the dependent variable was represented by the bank's financial performance, several accounting measures were used to measure this variable including (return on assets (ROA) & return on equity (ROE). The results of the study showed that there is a statistical significant effect of some independent variables on the financial performance of banks (ROA & ROE) of commercial banks in Jordan. The study recommended the importance and the necessity of the banks 'management to continually investigate and exploit available investment opportunities in order to increase the efficiency of the bank's operations. Furthermore, the importance and the necessity of the banks 'management are recommended to protect the available resources, achieve high returns, and maximize the wealth of owners. It also recommended increasing the Focus on the diversity of members in the Board of Directors, involving women in board membership, and avoids marginalizing the role of women in enhancing the supervisory role in the Board.

Keywords: bank governance, board characteristics, corporate governance, financial performance, ownership structure