

ASSESSING THE IMPACT OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF FINANCIAL INSTITUTIONS

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Abstract

In the context of the global economy and the increasing importance of corporate governance in the banking sector, this study explores the relationship between the quality of corporate governance and the financial performance of financial institutions. Through an econometric analysis applied to ICBC, HSBC and J.P. Morgan Chase & Co., the study examines the impact of corporate governance on key financial indicators, including return on assets (ROA), return on equity (ROE), price-earnings ratio (P/E) and price-to-book ratio (P/B). The Corporate Governance Index (CGI), developed for this study, quantifies the elements of corporate governance and allows a comparative analysis of financial performance across the institutions analyzed. The results have contributed to econometric models that can indicate the influence of various corporate governance factors on financial performance. Moreover, they also indicate that a robust corporate governance structure can contribute substantially to market stability and investor confidence, enhancing profitability, as well as stakeholders' market valuation, while also being a strategic factor for the long-term competitiveness of financial institutions.

Keywords: Corporate Governance; Econometric models, P/B; Financial Performance; ROA; ROE

JEL Classification: G20, M41

I. INTRODUCTION

Nowadays, in the business world, corporate governance has strengthened and has become a fundamental pillar (Larcker & Tayan, 2020), capable of ensuring stability and even defining the direction of a financial institution. Thus, corporate governance principles are the first weapon of an organization in the face of market challenges, economic instability and various risks such as bankruptcy (Sheedy, 2021). Which is why, in this paper we set out to analyze the strength of this "weapon" - i.e., that set of rules and principles structured to guarantee prosperity, authority, control and fairness. Far from being a strictly theoretical concept, corporate governance is the essence of a managerial structure in which the harmonization of interests between shareholders, management and of course other stakeholders is promoted, thus providing continuity and competitiveness to a financial institution (Grosu et al., 2024; Jolovic et al., 2020). Corporate governance influences the performance of financial institutions, an aspect that can be effectively analyzed through the use of decision problem modeling methods (Melega et al., 2022; Dragomir, 2017).

Our study focuses mainly on the impact of corporate governance on financial performance in international banking institutions. Given this context, the overall aim of this research is to analyze and evaluate corporate governance systems by identifying and implementing best practices applicable in financial-banking institutions in order to enhance their efficiency and performance. In addition, the research aims to achieve a number of specific objectives: from the theoretical underpinning of governance to the definition of quantitative correlations between key variables, such as return on assets (ROA), return on equity (ROE), price-earnings ratio (P/E) and price-to-book (P/B), against the Corporate Governance Index (CGI).

Therefore, this research is based on a mixed methods approach, combining theoretical methods and applied analysis, based on regression modeling conducted with SPSS software to reveal the link between corporate governance and financial performance. This approach of our study is supported by various authors in the literature such as Roni & Djajadikerta (2021) and Hoffman (2021), who rigorously support the hypotheses formulated in this study. Through this approach, we demonstrate that a well-designed corporate governance protects any financial institution from internal and external vulnerabilities, boosts financial performance, thus contributing to increase shareholder value and also enhances a sustainable organizational climate. We believe that the results obtained contribute to the understanding and application of corporate governance principles in order to achieve efficient and transparent management, as well as to enhance financial performance in the international banking and finance sector.

II. LITERATURE REVIEW

In the literature, the evolution of corporate governance can be seen as a direct response to the need for the establishment of oversight and control mechanisms in various organizations, particularly in the financial-banking sector. We observe, ever since the publication of the first official corporate governance code, called the Cadbury report in 1992, a keen concern for the establishment of rules that support the stability and integrity of financial markets (Nordberg, 2020), with corporate governance being considered a pillar of long-term sustainability, integrating factors related to managerial accountability, operational transparency, and stakeholder protection (Ludwig & Sassen, 2022). Other authors (Cosmulese, 2020; Naciti et al., 2022) define corporate governance as a complex system involving a network of relationships between the board of directors, management, shareholders and other stakeholders. Its role is to help protect the value of the organization by ensuring an appropriately and effectively managed risk framework, supporting the stability and competitiveness of the institution. Other authors (Lu & Wang, 2021; Buboï (Danaila) & Cosmulese, 2024) added that corporate governance also extends to social responsibility, emphasizing the importance of an integrated approach that includes ethics and transparency in reporting to stakeholders. Zahari et al. (2024) investigate the role of corporate governance in fostering sustainability policies, showing that effective governance will promote ethical values at all organizational levels and can meet expectations of transparency and integrity. This is of even greater importance in the banking sector, where reputations are particularly sensitive to various ethical scandals and all kinds of integrity risks. Therefore, those financial institutions that invest in governance systems that support social responsibility and compliance with sustainability standards are better positioned to attract investment and manage risks effectively.

Another issue addressed in the literature is the link between the quality of corporate governance and the financial performance of institutions. Recent studies by Garcia & Orsato (2020) and Alodat et al. (2022) support the hypothesis that institutions with a well-integrated governance system have superior financial performance due to increased investor confidence and effective risk management. Furthermore, the author argues that a well-transparent board plays a central role in attracting investment and maximizing shareholder value. Furthermore, a frequently explored theme in the literature is the dynamic nature of corporate governance and its adaptability to rapid change. The use of artificial intelligence applications can contribute significantly to inform decision-making processes, providing a deeper insight into the relationship between corporate governance and the performance of financial institutions (Dragomir & Alexandrescu, 2017). For example, in their study, Popelo et al. (2021) it emphasizes the importance of digitalization of governance processes in modern financial institutions. According to them, the implementation of advanced digital technologies, such as artificial intelligence and big data, can facilitate the monitoring of activities, early detection of risks and at the same time, improve financial transparency.

At the same time, we observe in the literature that econometric modeling as well as linear regression techniques are often used in studies to measure correlations between corporate governance and various financial indicators such as return on assets (ROA), return on equity (ROE), price-earnings ratio (P/E), price-book value (P/B), etc (Qureshi et al., 2020).

Major international banks, such as the Industrial and Commercial Bank of China (ICBC), HSBC and JP Morgan Chase & Co, have adopted governance codes that vary but converge in their adherence to basic principles such as transparency, accountability, operational efficiency, etc. For example, ICBC, relies on its own code that reflects its supervisory and decision-making structure. The implementation of effective corporate governance mechanisms can positively influence the performance of financial institutions, an aspect supported by the use of modern hierarchical security modeling tools (Dragomir et al., 2019). This includes dedicated audit and risk management committees, a fundamental element for the globalized and volatile market in which this entity operates (ICBC, 2023). HSBC, likewise, operates under a very strict governance framework, compliant with UK and Hong Kong regulations, thus promoting a culture centered on accountability and first and foremost, total board independence (HSBC, 2023). As for JP Morgan Chase & Co, it stands out for its application of corporate governance principles that cover both board functioning, as well as principles of conduct, ethics, and performance evaluation of board members. All these contribute to the performance as well as the long-term competitiveness of this entity (JP Morgan Chase & Co, 2023).

Reflecting on the relationship between governance and financial performance, the recent literature argues that the development of a Corporate Governance Index (CGI) within any economic entity can help to quantify the effectiveness of governance and its correlation with financial indicators. Nawaz & Ohlrogge (2023) demonstrated in a longitudinal study that a high score on this type of indicator translates into high financial performance, a conclusion also supported by the analysis of the financial data published by the institutions covered in this study, as shown in Table 1.

Table 1. Summary analysis of the governance codes of the financial institutions concerned

	ICBC	HSBC	JP Morgan Chase & Co
Code	Your own code	- Code UK - Your own code	Your own code
Appeared	2020	- UK: 2018 - Own code: 2021	2019
Aim	<ul style="list-style-type: none"> - Enhancing core competitiveness and developing modern corporate governance framework, mechanism and culture - Strengthening enterprise risk management and improving the group governance system - Becoming the governance benchmark for large financial groups worldwide 	<ul style="list-style-type: none"> - Good management with effective supervision and control - Meeting responsibilities towards stakeholders - Protecting your business 	<ul style="list-style-type: none"> - Providing exceptional customer service - Acting with integrity and accountability - Supporting employee growth
Structure	<ul style="list-style-type: none"> - Overview - General meeting of shareholders - Board of Directors - Supervisory Board - Internal management team - Internal Rules 	<ul style="list-style-type: none"> - Introduction - How we are organized - How we are governed: - The Council and its role - Council powers - How the Council works - Board performance and accountability - Relationship between the Board and the Executive Team - How we communicate 	<ul style="list-style-type: none"> - Governance principles - Board of Directors - Code of Conduct and Ethics - Political engagement and political participation - ESG Information
"Apply or explain"	From	From	From

Source: Author's own processing

At the same time, we note a key point in the literature, namely, the codification of governance principles and the variation in their implementation by different financial institutions. Thus, Table 1 compares the governance codes at three major financial institutions - ICBC, HSBC and JP Morgan Chase & Co - and shows how they respond to the specific requirements of the market in which they operate. For example, ICBC implements its own governance code (adopted in 2020), aimed at improving competitiveness and developing a sound governance framework, which is essential for a majority state-owned institution in China operating in a booming market (ICBC, 2023). In contrast, HSBC, operating under the 2018 UK Code of Governance and its own updated code in 2021, integrates both UK and Asian market-specific regulations, thereby demonstrating a commitment to transparent practices while also demonstrating high standards of internal control (HSBC, 2023). JP Morgan Chase & Co, on the other hand, focuses on a US regulation-specific code, adopted in 2019, which aims to meet the expectations of stakeholders, mainly international investors, but also to comply with US financial market regulations (JP Morgan Chase & Co, 2019). Thus, we observe how these differences reflect each organization's adjustments to the national and international specificities of the regulatory framework. Therefore, this study contributes to the literature by empirically exploring the correlation between these diverse governance practices and financial performance, providing a basis for comparison and even a model for institutions in this sector.

III. RESEARCH METHODOLOGY

The methodology of this paper is based on two fundamental aspects. The first focuses on the construction of an indicator that accurately reflects corporate governance, which we have called the Corporate Governance Index (CGI). It includes qualitative elements such as transparency, board structure, remuneration policies, in other words aspects that are more difficult to quantify. Thus, we developed the GCI to transform the qualitative characteristics of corporate governance into a quantitative measure, so that the relationship between corporate governance and financial performance can be investigated more precisely.

For the development of the CGI, we have selected a set of 22 metrics reflecting the most important areas of corporate governance, including the structure and functioning of the board of directors, the relationship with shareholders and investors, the independence and quality of auditors, the quality of financial reporting, the leverage policy and human resources management, and social responsibility issues. These parameters have been grouped into seven key categories:

- Board of Directors: includes 7 metrics, such as percentage of independent directors, presence of audit committee, remuneration committee, attendance at meetings and existence of a statement of business ethics and practices;
- Investors/Shareholders: This category includes 3 parameters that reflect the dividend policy and some details on the shareholding structure;
- Auditors: Includes 2 parameters assessing their qualification and independence;
- Financial Reporting: includes 6 parameters, such as frequency of financial reporting, reporting times and disclosure of transactions with any related parties.
- Lenders: This category includes only one parameter, on the transparency of loan reporting;
- Employees: Includes a single metric that assesses concern for employee well-being;
- Society: This category includes 2 parameters that take into account the presence of an informative website and also the entity's social responsibility policy.

Next, each parameter was assigned a score on a scale from 0 to 5, where 0 indicates the worst performance and 5 the best. As an example, a board with more than 75% non-executive and independent directors receives a maximum score of 5, reflecting an optimal governance structure. Similarly, for the assessment of auditors, scores are based on the quality of the certificates obtained. At the same time, to reflect the different importance of the parameters, a weighting factor between 1 and 5 has been applied to each measure, depending on its relevance to the quality of governance, in line with the literature. The calculations can be seen in Annex A- D at the end of the paper and the results in Table 2.

Table 2. ICG index result for the analyzed financial institutions

CGI	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ICBC	3.54	4.18	4.22	4.31	4.18	4.18	4.13	4.22	4.31	4.31
HSBC	4.13	4.13	4.45	4.36	4.36	4.27	4.40	4.36	4.41	4.5
JP Morgan Chase & Co	3.77	3.86	3.86	3.68	3.86	3.90	3.81	3.81	3.72	3.86

Source: Author's own processing

Next, in order to carry out the econometric model, we have centralized the values of the indicators related to the performance of the companies in Table no. 3, for each entity analyzed.

Table 3. Financial performance indicators

Financial indicators - ICBC										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ROA (%)	2.23	1.39	1.40	1.46	1.40	1.31	1.23	1.17	1.13	0.77
ROE (%)	37.20	22.48	21.71	21.54	19.18	16.54	14.96	14.34	13.56	9.04
P/B	1.37	1.22	1.15	0.89	0.87	0.67	0.78	0.78	0.65	0.52
P/E	7.52	5.89	5.71	5	5.71	4.86	5.78	6.31	5.75	4.96
Ln (AT)	14.69	14.83	14.93	15.02	15.08	15.10	15.16	15.24	15.28	15.39
Financial indicators - HSBC										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ROA (%)	0.61	0.52	0.60	0.48	0.72	0.05	0.04	0.51	0.53	0.21
ROE (%)	9.84	7.93	8.71	6.61	9.01	0.67	0.47	6.69	7.13	3.09
P/E	5.31	9.52	9.10	9.96	9.21	101.12	153.55	12.40	10.52	31.59
P/B	0.71	0.71	0.76	0.66	0.61	0.74	0.74	0.74	0.75	0.38
Ln (AT)	14.75	14.80	14.79	14.78	14.69	14.68	14.73	14.75	14.81	14.90
Financial Indicators - JP Morgan Chase & Co										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ROA (%)	0.78	0.86	0.68	0.80	0.92	0.92	0.88	1.18	1.27	0.84
ROE (%)	9.64	10.13	7.94	8.83	9.34	9.03	8.78	11.94	13.21	10.19
P/B	0.52	0.65	0.85	0.84	0.84	1.07	1.29	1.15	1.57	1.37
P/E	5.70	6.69	10.96	9.88	9.44	12.31	15.30	10.02	12.38	14.13
Ln	14.63	14.67	14.69	14.76	14.67	14.72	14.75	14.77	14.80	15.03

Source: Author's own processing

Next, we used the IGC score to measure the quality of corporate governance in an economic entity. We also used return on assets (ROA), return on equity (ROE) for operational performance and Price to Earnings (P/E) and Price to Book (P/B) ratios for market performance. In addition, we used entity size as a control variable to find whether there is an effect as a result of entity size on the relationship between governance and financial

performance. Thus, the control variable firm size was measured by the natural logarithm of total assets held by the economic entities concerned. The regression equations for our econometric models look as follows:

$$ROA = \alpha + \beta_1 * IGC + \ln TA \quad (1)$$

$$ROE = \alpha + \beta_1 * IGC + \ln TA \quad (2)$$

$$P/B = \alpha + \beta_1 * IGC + \ln TA \quad (3)$$

$$P/E = \alpha + \beta_1 * IGC + \ln TA \quad (4)$$

According to the literature, in order to prove the existence of an effect on the independent variable, we must reject the null hypothesis (H0). This is formulated as follows:

H₀: "There is no relationship between corporate governance and company financial performance"
H₁: "There is a positive relationship between corporate governance and corporate financial performance."
 In the following we will present the results obtained after processing and analysis in SPSS version 30.

IV. RESULTS AND DISCUSSIONS

First, we present the results obtained from the econometric modeling performed in SPSS, as shown in Table 4.

Table 4. Results of the econometric models

ICBC RESULTS					
Model	R	R Square	Adjusted R Square	Std. Error	Durbin-Watson
1 - ROA	.955	.911	.886	.12468	1.879
2 - ROE	.975	.951	.937	1.93359	1.846
3 - P/E	.829	.687	.598	.49335	1.778
4 - P/B	.956	.914	.892	.08929	1.906
HSBC RESULTS					
5 - ROA	.227	.049	-.218	.26466	1.972
6 - ROE	.368	.136	-.114	3.59469	1.970
7 - P/E	.461	.221	-.016	51.00801	1.931
8 - P/B	.601	.361	.178	.10442	1.832
RESULTS JP MORGAN CHASE & CO					
9 - ROA	.317	.100	-.155	.19493	1.471
10 - ROE	.441	.192	-.036	1.62507	1.702
11 - P/E	.660	.438	.277	2.56216	1.633
12 - P/B	.718	.515	.376	.26324	1.482

Source: SPSS processing

As we can see, among the four models, ROE and P/b have the highest adjusted R² coefficient (0.937 ROE and 0.892 P/B). This indicates that the variability in financial performance explained by the Corporate Governance Index (CGI) is strong and significant. Especially the ROE model, which demonstrates the strong relationship between corporate governance and return on equity at Industrial and Commercial Bank of China (ICBC). As for ROA (1) and P/E (3) models although relevant, they have lower adjusted R², which denotes that corporate governance has relatively less impact on return on assets and market performance-oriented indicators in ICBC.

From an economic perspective, the results suggest that a governance structure is fundamental in the case of ICBC, and can significantly improve ROE and P/B, which are fundamental factors for the stability and even attractiveness of the financial institution in the long run. Thus, in the case of ICBC, corporate governance is reflected in superior financial performance, especially in attracting capital and investor confidence, which are fundamental in the banking sector where market confidence determines competitiveness. Also, the strong link between GCI and P/B, shows that the market perceives ICBC as a stable and well-governed institution, hence a high market value relative to book value. We note that in the literature we find arguments supporting the strong correlations identified at ICBC. According to them an effective corporate governance provides various long-term benefits, better management of financial and non-financial risks, and also increased investor confidence, which was also confirmed in our results by the high values of correlation coefficients for ROE and P/B models (Singh & Pillai, 2022). We believe that in the case of ICBC, which has a large global structure and presence, corporate governance is fundamental to maintain stability and attractiveness in the market, which is reflected in the superior performance of these indicators.

In the case of HongKong and Shanghai Corporation (HSBC), the values of the coefficient R^2 vary across the four financial performance models - ROA, ROE, P/E and P/B, indicating differences in the ability of corporate governance to explain the variance of each indicator. The highest P/B model exhibits an R coefficient of .601, the highest of the models conducted, and indicates a relatively significant correlation between corporate governance and market valuation. This result shows that corporate governance has an impact on the market perception, this effectively translating into a higher market value relative to book value. Moreover, as we noticed before, a high correlation coefficient R^2 of .361 for P/B for P/B points out that this relationship between our variables is a stable one, confirming our hypothesis which states that governance is a determinant of market value creation for HSBC. Reflecting on our ROE model, that has an R^2 of .368, we also notice a relationship between corporate governance and return on equity. This can be explained by the fact that HSBC is a global banking institution operating in a highly regulated environment, where structural factors of local and international markets is normal to influence ROE performance. Corporate governance can also be understood with help of the price-to-book ratio, which also shows the importance of corporate governance in the market valuation and stability of investor perception (Madhani, 2020).

Reflecting on the results obtained by J.P. Morgan Chase & Co, we also noticed a strong correlation between corporate governance and financial performance, evidenced by our models for P/B (11) and P/E (12). Firstly, the model for P/B, with an R^2 of .718, has the highest value, suggesting that the strongest correlation for J.P. Morgan & Co is between corporate governance and the market valuation of the institution. Therefore, it mainly plays a role in how the market perceives the institution's value, which is reflected in investors' confidence in its operational stability and transparency. These results for J.P. Morgan Chase & Co. clearly emphasize the importance of corporate governance through its influence on P/B and P/E. In conclusion, robust corporate governance in international financial institutions has a significant impact on market perception and other stakeholders' confidence. Governance in this way protects shareholders' interests and at the same time limits compliance and reputational risks, contributing overall to financial stability and performance.

V. CONCLUSION

This paper emphasized the importance of corporate governance as a major factor of financial performance in the international banking sector, with the main focus on institutions with notable influence such as ICBC, HSBC and J.P. Morgan Chase & Co. The results confirmed that within these institutions, the structure, but also the quality of corporate governance plays a paramount role in the very stability and attractiveness of these companies in the capital market, as well as in their operational performance.

In ICBC, corporate governance influences return on equity and market valuation, which discloses that a strong governance structure is particularly important for maintaining stable capital and investor confidence. The correlation confirms the hypothesis that a regulated corporate governance system reduces risks and enhances the attractiveness of the institution. Similarly, our results reveal a significant relationship between governance and market valuation at HSBC, with a greater influence on P/B than on other variables, suggesting that the market perceives this bank as stable. As for J.P. Morgan Chase & Co. the results similarly reveal a correlation between corporate governance and market indicators (P/B and P/E), again emphasizing the importance of robust corporate governance to financial markets. Therefore, we can conclude that global financial institutions with a well-developed, solid, robust corporate governance system demonstrate superior financial performance in the short and long term, both in terms of profitability, market valuation and stakeholder confidence.

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Annex A. Parameters taken into account in calculating the quality of corporate governance

	Parameters of governance	How to measure
A	BOARD OF DIRECTORS	
1	Percentage of non-executive and independent non-executive directors	Number of independent and non-executive directors as a percentage of total board size
2	The chair of the board is a non-executive	
3	Percentage of meetings attended	Average number of meetings attended by all directors as a percentage of total board meetings in a year
4	Effectiveness of the audit committee	1. Percentage of independent and non-executive directors out of total members. 2. Total meetings in one year
5	Presence of the Remuneration Committee	
6	Has the company published the statement of ethics and business practices for its board?	
7	Reporting Director's remuneration	Reporting depth
B	INVESTORS/SHAREHOLDERS	
1	The company paid dividend if there was no explanation offered	quality of narratives
2	Reported the company's ownership model and details of major shareholders	
3	Has the company identified and reported how it manages its business risk?	Quality and depth of narratives
C	AUDITORS	
1	Auditor qualification / assessment	Have the auditors had satisfactory assessments from ICAP?
2	Independence of external auditors	Have they provided any other services in addition to the audit other than compliance with the listed rules?
D	FINANCIAL REPORTING	
1	Timely release of annual accounts	The difference between the company's year-end and the date of the Annual General Meeting (AGM)
2	If there is any significant change from last year's profit, was it accompanied by a concrete explanation?	Quality of narratives
3	Is the key to the operational and financial data for the last six years given?	quality of narratives
4	Frequency of financial reporting	Has the company published its quarterly and half-yearly accounts?
5	Disclosure of related party transactions	Quality of narrative
6	Depth of financial statements	Quality of narrative
E	CREDITORS/DEBTORS	
1	Did the company provide detailed information about its borrowing in its annual report?	Quality of narratives
F	EMPLOYEES	
	Employee well-being, development reporting	Quality of narrative
G	SOCIETY / GENERAL	
1	Presence of company website	- Provides detailed information about the company's product and Services. - Is the financial information for the last 5 years given - It's easy to use - When it was last updated.
2	Corporate social responsibility reporting	Description of CSR activities and quality of narratives

Source: Tariq, Y. B., & Abbas, Z. (2013)

Annex B. Calculation of scores for analyzed parameters - ICBC

9	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A	BOARD OF DIRECTORS									
1	3	3	3	4	3	3	3	4	4	4
2	5	5	5	5	5	5	5	5	5	5
3	5	3	4	4	3	4	3	3	4	4
4	2	3	4	4	4	3	3	3	4	4
5	2	2	2	2	2	2	2	2	2	2
6	5	5	5	5	5	5	5	5	5	5
7	5	5	4	5	5	4	4	5	5	5
B	INVESTORS/SHAREHOLDERS									
1	3	3	3	3	3	3	3	3	3	3
2	5	5	5	5	5	5	5	5	5	5
3	4	4	4	4	4	4	4	4	4	4
C	AUDITORS									
1	5	5	5	5	5	5	5	5	5	5
2	2	2	2	2	2	2	2	2	2	2
D	FINANCIAL REPORTING									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4
3	5	5	5	5	5	5	5	5	5	5
4	5	5	5	5	5	5	5	5	5	5
5	5	5	5	5	5	5	5	5	5	5
6	4	4	4	4	4	4	4	4	4	4
E	CREDITORS/DEBTORS									
1	5	5	5	5	5	5	5	5	5	5
F	EMPLOYEES									
	5	5	5	5	5	5	5	5	5	5
G	SOCIETY / GENERAL									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4

Source: Compilation based on annual reports

Annex C. Calculation of scores for analyzed parameters - HSBC

Parameter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A	BOARD OF DIRECTORS									
1	5	5	4	4	5	5	5	4	4	5
2	0	0	5	5	0	0	5	5	5	5
3	4	5	5	4	3	5	4	4	3	4
4	4	4	5	5	5	4	4	4	5	5
5	5	5	5	5	5	5	5	5	5	5
6	4	4	4	4	4	4	4	4	4	4
7	5	4	5	5	5	5	4	5	5	5
B	INVESTORS/SHAREHOLDERS									
1	3	3	3	3	3	3	3	3	3	3
2	4	4	4	4	4	4	4	4	4	4
3	5	5	5	5	5	5	5	5	5	5
C	AUDITORS									
1	5	5	5	5	5	5	5	5	5	5
2	2	3	4	2	3	3	3	3	4	3
D	FINANCIAL REPORTING									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4
3	4	4	4	4	4	4	4	4	4	4
4	5	5	5	5	5	5	5	5	5	5
5	5	5	5	5	5	5	5	5	5	5
6	5	4	4	5	5	5	5	5	5	5
E	CREDITORS/DEBTORS									
1	4	4	4	4	4	4	4	4	4	4
F	EMPLOYEES									
	4	4	4	4	4	5	5	4	4	5
G	SOCIETY / GENERAL									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4

Source: Compilation based on annual reports

Annex D. Calculation of scores for analyzed parameters - JP Morgan Chase & Co

Parameter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A	BOARD OF DIRECTORS									
1	2	2	2	2	2	2	2	2	2	2
2	0	0	0	0	0	0	0	0	0	0
3	4	4	3	4	5	5	4	3	3	4
4	4	5	5	4	5	4	4	5	5	5
5	2	2	2	2	2	2	2	2	2	2
6	4	4	4	4	4	4	4	4	4	4
7	2	2	2	2	2	2	2	2	2	2
B	INVESTORS/SHAREHOLDERS									
1	3	3	3	3	3	3	3	3	3	3
2	5	5	5	5	5	5	5	5	5	5
3	5	5	5	5	5	5	5	5	5	5
C	AUDITORS									
1	5	5	5	4	5	5	5	5	4	5
2	2	3	3	2	2	4	2	3	3	3
D	FINANCIAL REPORTING									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4
3	4	4	4	4	4	4	4	4	4	4
4	5	5	5	5	5	5	5	5	5	5
5	4	4	5	3	4	4	5	4	3	4
6	5	5	5	5	5	5	5	5	5	5
E	CREDITORS/DEBTORS									
1	4	4	4	4	4	4	4	4	4	4
F	EMPLOYEES									
1	5	5	5	5	5	5	5	5	5	5
G	SOCIETY / GENERAL									
1	5	5	5	5	5	5	5	5	5	5
2	4	4	4	4	4	4	4	4	4	4

Source: Compilation based on annual reports