

COMPARATIVE ANALYSIS BETWEEN CORPORATE GOVERNANCE PRACTICES IN CONVENTIONAL AND ISLAMIC BANKS IN SRI LANKA

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Abstract: The financial institutions plays a key role in the economy of any country as it facilitates the financial intermediation. Given the important financial intermediation role of banks in an economy. Corporate governance (CG) plays a key role in this process. Corporate governance (CG) is an important effort to ensure accountability and responsibility and is a set of principles, which should be incorporated into every part of the organization. Today corporate governance has become a worldwide issue and the development of corporate governance practices has become a prominent issue in all countries in the world. This study was carried out as a comparative study of Islamic and Conventional banks corporate governance and banking performance in Sri Lankan context. This study main objective is to identify how corporate governance is different from Conventional banking and Islamic banking and also highlight a clear comparison of CG practices between Conventional Banks and Islamic Banks. This study based on secondary data, which covers a period of five years, ie. 2015-2020. Two banks are selected for this study. One is for Islamic bank and other one bank is from conventional. Key findings of this study, there is a different corporate governance practice and banking performance between Islamic and Conventional banks.

Keywords: Corporate governance, Islamic Bank, Conventional Bank, and Banking Performance, Corporate governance theories