

# **IMPACT OF FINANCIAL INNOVATION ON BANKS PERFORMANCE; MODERATING ROLE OF BOARD EXPERTISE**

**BY**

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A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



**BS (ACCOUNTING & FINANCE)  
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**Bahria University Karachi Campus**

# PROJECT APPROVAL STATEMENT

## APPROVAL FOR EXAMINATION

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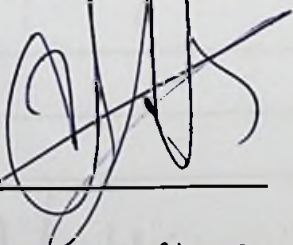
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I hereby certify that the above candidate's final year project has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this final year project using HEC prescribed software and found similarity index at 17% that is within the permissible limit set by the HEC for the BS final year project. I have also found the thesis in a format recognized by the Department of Management Sciences.

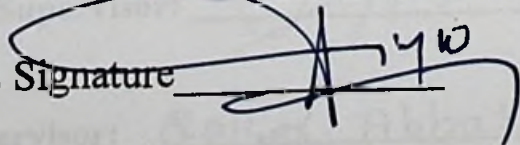
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## 1<sup>st</sup> Half Semester Progress Report

<b>Name of Student(s)</b>	Areeba Khan, Syed Hamza Ahmed, Abdul Malik
<b>Enrolment No.</b>	02-112202-022; 02-112202-035; 02-112202-034
<b>Thesis/Project Title</b>	Impact of Financial Innovation on Banks Performance; Moderating role of Board Expertise.

### Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	12/02/24	Uchicol	Literature Review	<i>[Signatures]</i>
2	19/02/24	Uchicol	Data collection	<i>[Signatures]</i>
3	29/02/24	Uchicol	Introduction	<i>[Signatures]</i>
4	7/03/24	Uchicol	Revision	<i>[Signatures]</i>

Progress Satisfactory

Progress Unsatisfactory

Remarks: Overall progress of this group was good

Signature of Supervisor: *[Signature]*

Date: 4/07/2024

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**Note:** Students must attach 1<sup>st</sup> & 2<sup>nd</sup> half progress report at the end of FYP spiral copies.

## 2<sup>nd</sup> Half Semester Progress Report & Thesis Approval Statement

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<b>Thesis/Project Title</b>	Impact of Financial Innovation on Banks Performance; Moderating role of Board Expertise.

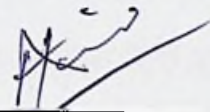
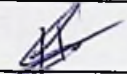
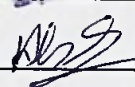
### Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
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2	8/05/24	lectical	Data Analysis	<i>[Signature]</i>
3	13/05/24	lectical	chapter 4 & 5 writup	<i>[Signature]</i>

## DECLARATION OF AUTHENTICATION

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

Student's Signature:

1.  \_\_\_\_\_
2.  \_\_\_\_\_
3.  \_\_\_\_\_

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KEY WORDS:  
Financial Innovation, Pakistan Banks, Bank Performance, Risk Innovation, Risk management

## **ABSTRACT:**

Different studies have been conducted regarding the association between financial innovation and bank performance but the outcomes of these studies are inconsistent. The moderating effect of board expertise, has not been inspected by the researchers. In the light of this context, the following work contributes to highlight the importance of board expertise to explain the relationship between bank performance and financial innovation. This study contains a sample of twenty listed banks of Pakistan from the period ranging from 2009 to 2022. The regressions analysis indicates an observable impact of board expertise on the characteristics of financial innovation. The banking sector of Pakistan responds positively to the adaption of financial innovation and technological advancements to increase the bank performance. This research will help the policy makers and the banking authorities to move towards money production because the increase in money production leads to better banking performance. The discussion here suggests that the impact of risk innovations, horizon innovations and specific innovations on returns and resources depends on the level of professional firms.

## **KEYWORDS:**

Financial Innovation, Pakistani Banks, Bank Performance, Risk innovation, Risk management