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**CPA-Canada Accounting and Governance Research Centre  
RESEARCH SEMINAR SERIES**

***Kiridaran Kanagaretnam***  
***Professor, Accounting***  
***Schulich School of Business***  
***York University***



Kiridaran (Giri) Kanagaretnam, MSEE, Ph.D., ACMA (U.K.), CPA, CMA, CGA is a Professor of Accounting at Schulich School of Business. Prior to joining York University in 2013, he was a Professor of Accounting and Financial Management Services and Associate Dean (Academic) at McMaster University. His research focuses on bank financial reporting, corporate governance and organizational trust and related issues. He has papers published in several journals including *The Accounting Review*, *Contemporary Accounting Research*, *Journal of International Business Studies*, *Journal of Business Ethics*, *Auditing: A Journal of Practice and Theory*, *Journal of Banking & Finance*, *Journal of Accounting and Public Policy*, *Journal of Accounting, Auditing & Finance*, *Journal of Economic Psychology*, *Journal of Business Finance & Accounting*, *Journal of Financial Stability*, *Accounting & Finance*, *Journal of Business Research*, *Review of Quantitative Finance and Accounting*, and *Managerial and Decision Economics*.

***Topic: «Effects of Informal Institutions on the Relationship between Accounting Measures of Risk and Bank Distress»***

***Abstract:***

We investigate the effects of informal institutions (trust, religiosity and the media) on the relationship between accounting-based risk measures and bank distress in a cross-country setting. We conduct our analysis in two stages. In the first stage, we extend the prior literature by documenting a link between accounting-based risk measures and bank distress during the 2008-2009 financial crisis. In particular, given the environment characterized by rapid growth globally in financial innovation and complex financial transactions prior to the crisis, simple accounting based risk measures continue to predict bank distress during this crisis period. In the second stage, we address our main research question related to the effects of selected informal institutions (societal trust, religiosity, and the media) in enhancing the information value of accounting-based risk measures. As hypothesized, we find that these informal institutions enhance the predictive ability of accounting-based risk measures. Our results inform regulators that the focus on strengthening formal institutions should not ignore country-specific informal institutional structures.

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**TIME: 10 a.m. – 11:30 a.m., Friday, November 18, 2016**  
**PLACE: Desmarais Building, Room 7170 (Refreshments Served)**

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**RSVP Required - contact Kathy Cunningham at CPA-Canada AGRC**

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