Are female CEOs of banks more risk averse?

Dorota Skała[1], Laurent Weill[2]

Abstract

This paper addresses the effect of CEO gender on bank risk for a sample of Polish cooperative banks over the period of 2008-2012. Using panel data estimations, we find that banks headed by female CEOs are less risky, as they report consistently higher capital adequacy ratios, throughout numerous specifications. The effect is even stronger for banks which have not experienced any CEO turnover throughout the whole sample period. Credit risk in female-led banks is not different from their peers, thus higher capital adequacy does not stem from lower asset quality and is likely to be linked to the – documented in the literature - higher risk aversion of female CEOs.

[1] WNEiZ, University of Szczecin
[2] EM Strasbourg Business School, University of Strasbourg, France