

THE IMPACT OF BANK OWNERSHIP ON TRANSACTION COSTS IN IRAN BANK SYSTEM

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ABSTRACT

Transaction cost is the unpredicted costs that are imposed on one transaction's parties due to the lack of adherence for several reasons such as lack of information symmetry on another party. Transaction costs are introduced as the one of the factor that leads to limitation in availability to the credits in development countries. This paper analyzes the differences in Transaction cost across Iran banks characterized by different types of ownership. For reaching this purpose, using data on Iran bank system during the period 2000–2015 and performed a panel in the selected banks of Iran Bank system and by using from Logit and EVIEWS statistical software.

According to the results of the study, investing effect on special capitals by Bank on transaction cost is affected by ownership. So collateral increasing for Bank loan and uncertainty level in bank will always increase the operators' performance determination in bank transaction costs. Transaction costs model in bank system of Iran which state ownership are more than the Private Banks. In during the crisis period (2008–2011) transaction costs is Increased.

KEYWORDS: Bank Ownership, Transaction Costs, Bank System