

## **ABSTRACT**

*This study examines the factors that influence earnings management conducted by bank executives in ASIA. This study uses the agency theory framework in explaining the relationship of executive compensation to earnings management through credit risk.*

*This study uses a quantitative approach. A total sample of 41 companies listed on the stock market in countries in ASIA with a total of 164 observations in 2013-2016. Data processing using WarpPLS 5.0 software.*

*The results showed that executive compensation negatively affects earnings management, executive compensation negatively affects credit risk taking, and credit risk positively affects earnings management. These findings also indicate credit risk as an intervening variable of executive compensation relationships with earnings management.*

*Keywords: Compensation, earnings management, credit risk*