THE IMPACT OF CORPORATE GOVERNANCE ON BANKS' FINANCIAL PERFORMANCE IN NIGERIA

BY

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AUGUST (2022)

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A LONG ESSAY SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE, MOUNTAIN TOP UNIVERSITY, OGUN STATE, NIGERIA, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF SCIENCE (BSc. Hons)

AUGUST (2022)

DECLARATION

I, Imoru Esther (19020101034) hereby declared that I am a bonafide student in the Department of Accounting and Finance, in the College of Humanity, Management and Social Sciences in Mountain Top University. I hereby declared that the project titled "Corporate Governance and Financial Reporting Quality of Banks in Nigeria" was carried out by me and submitted in partial fulfilment for the award of Bachelor of Science (B.Sc.) Accounting.

……. ……

NAME SIGNATURE

CERTIFICATION

I certify that this work was carried out by **IMORU ESTHER** at the Department of Accounting and Finance, Mountain Top University, Ogun State, Nigeria under my supervision.

…….. ……..

Dr. Onichabor, P. O. Signature & Date

(Supervisor)

DEDICATION

I dedicate this project to God Aimighty for his love, strength, knowledge and understanding and Grace over my life and for seeing me through the course of this study and through all the difficult times and also to my beloved parents for their immerse assistance, financial support and encouragement.

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Abstract

For a company be going concern, it has to be profitable to sustain its business activities and give returns back to the owners of the company. Low profitability among deposit money banks in Nigeria occasioned by poor economy among other factors calls for good corporate governance for sustainability of business among the DMBs in Nigeria. Therefore, this study set out to investigate the impact of corporate governance on financial performance of banks in Nigeria. Through purposive sampling technique, 12 DMBs were selected from the 22 DMBs on the Nigerian Stock Exchange as at 31st December 2020. The secondary data used for this study were obtained from the Nigerian Stock Exchange (NSE), Research Unit. The panel data used for this study covered a period of 10 years from 2011 to 2020. Means were used for descriptive statistics while correlations were used for answering of the research questions. Multiple linear regression analysis was explored for test of the four hypotheses of the study. Findings from the study indicated that board ownership and board meeting had significant negative impact on financial performance of listed banks in Nigeria. Further findings revealed that board size and board gender had no significant effect on financial performance of listed banks in Nigeria. Consequently, the study concluded that board ownership and board meeting had significant negative impact on financial performance of listed banks in Nigeria. Optimum board size between 6 and 15 board members is recommended for the membership of the board of directors to aid the quality of board decisions. Inclusion of more women on the board of directors is also recommended to ensure gender balance on the board which can aid balance of view from gender perspective.

Keywords: Board gender, board meeting, board ownership, board size, Corporate governance, Financial performance