CHAPTER ONE

INTRODUCTION

1.1- Background of the Study

Corporate governance dates back to the 19^{th} century when corporation laws enhanced the rights of corporate boards without unanimous consent of shareholders. They did it in exchange for statutory benefits such as appraisal gifts in order to make corporate governance more efficient. The early debates came up after the increase of agency problem, which emanated from separation of ownership and control created in the case of Salomon v Salomon, (1987). Recently corporate governance becomes a hot topic among a wide spectrum of people, government, industry operations, directors, investors, shareholders, academics and international organizations to least but a few. Todays world has seen that organization transparency, financial disclosure, independency,board size, board composition, board connittees, board diversity and among other is the cornerstone of good governance practices. These variables are in the main agenda of most meetings and confrences worldwide including the World Bank, International Monetary Fund(IMF).

Researchers have managed to come up with many definitions of corporate governance recently. Strine(2010) pointed out that corporate governance is about putting in place the structure, processes and mechanisms that ensure that the firm is directed and managed in a way that enhance firm performance. Adewoyin(2012) opines that banking is anchored on trust and confidence. Once such assurance is shaken, it becomes very difficult to win back the trust and confidence of banking public. What this means is that boards and management of banks must ensure sound performance of their institutions. To achieve this, Osisioma(2012) submitted that the focus of governance of corporate governance is on the board of directors. The unitary board model which is prevalent in Nigeria merges both of governing role (monitoring and supervison) and a management function responsible for day-to-day administration of company operations. Governance therefore, becomes the combination of processes and monitor activities of the corporate body towards the achievement of set objectives.

In recent times corportate governance has become a topical issue which has attracted the attention of academic scholars and practitioners. Revelations of corporate fraud all over the world in the past years have clearly shaken investors, confidence and historical antecedents in financial practices have indicated that financial crisis is the direct consequences of poor corporate governance (Akingunola, Olusegun & Adedipe,2013). For instance, the Enron saga and the crash of sub-prime mortgage institutions which led to the last global financial crisis. These problems transferred to other parts of the world through globalization which makes countries of the world to be interconnected as a result of trade liberalization and advancement in technology(telecommunication and transportation). Africa particularly Nigeria had its own share contagious financial most distressed.

The banking sector crisis remained a subject of concern because of its role in facilitating and stimulating economic development. This however made the apex bank(Central Bank of Nigeria) to take a bold step in revitalizing the banking sector through the stipulation of N23 billion naira capital base for all the banks in Nigeria. This led to the emergence of 25 commercial banks in Nigeria issued a code of corporate governance to complement the existing one and the provisions of the new code were said to be indispensable in achieving viable and successful and successful banking practice (Demaki, 2011). Since the issuance of the code of corporate governance by the CBN, efforts have been made to evaluate its impact on the performance of banks. From empirical perspective, efforts aimed at studying the impact of corporate governance among scholars have yielded varying outcome where a consensus is yet to be reached. This led to continuous study in the area of corporate governance and the performance of banks in the post consolidation era. In light of the above, this study will examine if the compliance with the code of corporate governance mechanism has brought about sound financial performance in Nigerian banks.

The few studies on bank corporate governance normally focused on a single aspect of governance, such as the role of directors or that of shareholders while omitting other factors and interactions that may be important within the governance framework. Feasible among few studies is the one by Adams and Mehran (2000) for a sample of US companies, where they examined the effect of the board size and proportion of non-executive directors is no guarantee that they will be active and work collectively as a team without any selfish interest. What are the criteria for the appointment and are they are of standard? are they examined and evaluated before being appointed by the shareholders for quality assurance purposes that they will carry out their duty truthfully, there must be something that can drive them to do their best to ensure sound financial performance and a standard that every one of them follows. The purpose of the study is to determine the structural relationship between corporate governance and financial performance. The study develops a model linking corporate governance and financial performance then verifies it through structural equation modeling based on partial least square.

1.2- Statement of the Problem

Although the concept of corporate governance has in recent years become a prioritized policy agenda in financial institutions of many developing countries, the promises of practicing this concept, such as improved banks financial performance does not appear to adequately manifest itself in the Nigerian banking sector, as evidenced by an alarmingly expanding number of banks that are either performing dismally or have completed failed in the past two decades. The period ranging from 1984 to 2010 witnessed the failure of no less than 22 banks (Upadhyaya, 2011). This poor performance as identified by a number of empirical investigations points a finger at poor corporate governance practices. It is therefore clear that unless the practice of corporate governance vis-à-vis firm performance is well researched and emerging problems addressed, more bank failures are likely to occur. Bank failures or closures can have a wide ranging impact on the socio-economic well-being of the country including loss of client deposits, loss of jobs, reduced contribution to GDP, and general loss of public confidence in the banking system. Therefore when the status of performance in the Nigerian banking sector in the past two decades is critically analyzed, it can be argued that even though there is awareness and existence of corporate governance mechanisms, there is need to empirically review and strengthen the practices. This argument may be reinforced by the fact that we cannot overemphasize the importance of a healthy financial sector's role in driving Nigerias economic growth. Whereas a small number of recent researches carried out in Nigeria have also investigated aspects of the relationships between corporate governance and banks financial performance, their findings have been inconclusive or even contradictory. This study attempts to establish the effect of corporate governance on banks financial performance listed in theNigerian stock exchang (NSE)by measuring corporate governance using the following variables (1) board size; (2) board ownership; (3) board gender diversity (4) board meeting. In addition, a firm's performance is measured by the return on capital employed, known as the ROCE ratio.

1.3- Objectives of the Study

The main objective of this study is to evaluate the impact of corporate governance on financial performance of listed banks in the banking sector in Nigeria. However the specific objectives are;

1. To examine the impact of board ownership on financial performance of listed bank in Nigeria.
2. To investigate the effect of board size on financial performance of listed bank in Nigeria.
3. To evaluate the impact of board gender diversity on financial performance of listed bank in Nigeria.
4. To appraise the effect of board meeting on financial performance of listed bank in Nigeria.

1.4- Research Question

1. To what extent does board ownership impact on financial performance of listed bank in Nigeria?
2. To what extent does board size affect the financial performance of listed banks in Nigeria?
3. How does board gender diversity impact the financial performance of listed banks in Nigeria?
4. To what extent does board meeting affect the financial performance of listed banks in Nigeria?

1.5- Research Hypotheses

1. Ho1- Board ownership has no significant impact on financial performance of listed banks in Nigeria.
2. Ho2- Board size has no significant effect on financial performance of listed banks in Nigeria.
3. Ho3- Board gender diversity has no significant impact on financial performance of listed banks in Nigeria.
4. Ho4- Board meeting has no significant effect on financial performance of listed banks in Nigeria.

1.6- Significance of the Study

The study will be of significance to the financial performance of banks in Nigeria in making informed decisions. It will also be significant to researchers and academicians for future references during research. Also scholars will be interested in the findings from the study. Lastly the government and policy makers will find the study useful for decision making. We find that governance ratings have positive and significant impact on corporate financial performance. But like any other research, the present study is also subject to certain limitations, which should be considered while using the results of this study and future researchers.

All levels of managers: The findings and recommendations in this study would be useful to all levels of managers in the various corporate organizations to better manage their firms by providing good corporate governance factors that they need to adopt in their organizations. The findings will be a guide in setting up corporate governance systems within the banking sectors for better financial performance. The academicians and students of, Finance, Economics, Management, Marketing, HRD and Organizational Development will find this study thought provoking for further research in this area. Through the resultant interaction between the researcher and the respondents, the researcher’s knowledge, skills and understanding of research may improve.

1.7- Scope of the Study

The study covers the performance of banking financial sector in Nigeria and it covers the period of 2011-2020.Many researchers have studied the impact of corporate governance in different sectors of the economy. There is a significant impact of corporate governance on firm performance of bank in Nigeria. This study analyses the impact of Corporate Governance (CG) elements that include board composition on the financial performances of the financial institutions listed on Nigerians stock exchange. (CSE) this study regarded as necessary in reducing the risk for investors and improving performance. Precisely, this study investigates the relationship between corporate governance inthe board of directors and the financial performance of Nigerian banks. Three board attributes (board independence, board meetings and board gender) were used as proxies of the independent variables while ROA was chosen as a measure of performance. Furthermore, the research made use of secondary data obtained from the annual reports of fifteen (15) banks listed in the Nigeria Stock-banking industry.

1.8-Limitation of the Study

This study investigates the effect of corporate governance and financial performance banks listed at the NSE. Corporate governance is the independent variable while financial performance is the dependent variable. The size and age of the firm are the control variables. The rationale for using commercial banks listed at the NSE is due to the fact that they are public companies whose data is easily accessible as it is a statutory requirement for publicly listed firm to publish this information. The study was carried out in Nigeria at the head offices of the listed selected banks. This due their proximity to Nigeria and also the fact most of the information required being strategic in nature can only be located at the head offices. The study focused on the period 2012-2016 since a period of 6 years is enough to give a reliable trend.

1.9-Operational Definition of Terms

Return on Capital Employed: Return on capital employed (ROCE) is a measure of how profitable a business is due to combination of the shareholders' fund and debt capital. ROCE provides the boss, customer, or analyst an understanding of how effective the management of a business is to use its properties to earn income. The return on investment is seen as a percentage.

Central Bank of Nigeria: The Central Bank of Nigeria (CBN) was founded by the CBN Act of 1958 and started operations on 1 July 1959 as the central bank and apex monetary authority of Nigeria. The CBN Act was amended in 1991, 1993, 1997, 1998, 1999 and 2007. As specified in the CBN Act, the key regulatory objectives of the bank are: to preserve the country's external reserves, to foster monetary stability and a stable financial climate, and to act as a last resort banker and financial advisor to the federal government.

Profitability: Profitability is a company's willingness to use its services to produce income that covers its costs. In other words, this is the potential of a company to produce income from its activities. One of four building blocks for evaluating financial statements and business results as a whole is profitability. Effectiveness, solvency, and business opportunities are the remaining three. These key principles are used by customers, creditors, and administrators to assess how good a corporation is performing and the possible success it might have if operations were better handled.

Total Assets: Total assets are the representation of the worth of everything a person owns after considering all assets and liabilities. An asset is anything that a person or organization owns, such as a car or a share. Individuals or organizations purchase an asset because it has the potential to increase in value in the future. Companies sometimes acquire assets, such as new equipment or real estate, with the intention of using those assets to increase their cash flow.

Profit after Tax: Profit after tax (PAT) can be termed as the net profit available for the shareholders after paying all the expenses and taxes by the business unit. The business unit can be any type, such as private limited, public limited, government-owned, privately-owned company, etc. Tax is an integral part of an ongoing business. After paying all the operating expenses, non-operating expenses, interest on a loan, etc., the business is left out with several profits, which is known as profit before tax or PBT. After that, the tax is calculated on the available profit. After deducting the taxation amount, the business derives its net profit or profit after tax (PAT).

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

This section consists of conceptual, theoretical and empirical reviews. Concepts reviewed include corporate governance, board composition, board size and firm performance. The theories reviewed include agency theory, stakeholders' theory, shareholders' theory, resource dependency theory, transactional cost theory and stewardship theory. Relevant previous empirical studies were also reviewed.

2.1 **Conceptual Review**

This chapter discusses the existing theoretical and empirical literature on corporate governance. This study focused on corporate governance and performance of selected Nigerian banks firms from 2012 to 2016. Specifically, the study focused on the effect of board size, activism and committee activism on return on asset and firm growth rate. Secondary data collected from four multinational firms were analyzed via static panel estimation techniques. While board size and board activism exerted significant negative impact on return on asset, committee activism exerted insignificant impact. The results of the study further showed that board size and board activism exert insignificant negative impact on firm's growth rate, while committee activism insignificantly spurs firm's growth rate. Decisively, discoveries from this study reflect that corporate governance has significant negative impact on return on asset, but has insignificant influence on the growth rate of Nigerian multinational firms. Based on these findings, the authors recommended that corporate governance dynamics in firms world over should be reconsidered, such that it gives credence to more than just numbers of persons or meetings held, but the main reasons and deliberations in such meetings. It was also recommended that excessive increase in magnitude or frequency of meetings held by board of directors cum committee should be avoided.

2.1.1 Corporate Governance

The term Corporate Governance refers to the rules, processes or laws by which institutions are operated, regulated and governed. It is developed with the primary purpose of promoting a transparent and efficient banking system that will engender the rule of law and encourage division of responsibilities in a professional and objective manner. Effective corporate governance practices provides a structure that works for the benefit of stakeholders by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as formal laws (CBN, 2014). In the context of this research, it refers to rules and regulations that guide the organization.

2.1.2-Board Composition

Board composition refers to the number of independent non-executive directors on the board relative to the total number of directors and it is measured by the percentage of outside directors(non-executive directors) on the board members. (Ahmed,2011). An independent non-executive director is defined as an independent director who has no affiliation with the firm except for their directorship (Clifford & Evans, 1997). There is an apparent presumption that boards with significant outside directors will make different and perhaps better decisions than boards dominated by insiders. Fama & Jensen, 1983 (as cited in Bansal & Sharma, 2016) suggest that non-executive directors can play an important role in the effective resolution of agency problems and their presence on the board. Can lead to more effective decision-making, hence improved firm performance. Bocean, 2001, (as cited in Mirza & Javed, 2013) gave five principles of corporate governance:

i.. Protection of shareholders' rights

ii. Equitable treatment of shareholders

iii. Protection of stakeholders' rights

iv. Proper disclosure and transparency

v. Fulfillment of responsibilities by board

2.1.3 Board size (BDS)

This is the total number of directors sitting on the board of. Particular bank which in line with the code of corporate governance should not be more than 20. Board size refers to the number of people on the board- executive or non- executive directors. The Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria (2014) recommends that the number of non-executive directors should be more than that of executive directors subject to a maximum board size of 20 directors. This is considered to be a crucial characteristic of the board structure. Large boards could provide the diversity that would help companies to secure critical resources and reduce environmental uncertainties. Olayinka (2010) opines that this positively affects performance by reducing high earnings management, restatements and fraud. Fama & Jensen, 1983 (as cited in Bandsal & Sharma, 2016) argue that. the increase in the number of the members of the board slows down the decision-making processes of the firm, causing the board to pass off the problems, thus, leading to a decrease firm value and effectiveness. Lipton and Lorsch (1992) suggested that as size of the board grows, the decision-making processes will slow down and this will cause communication problems and impacts the firm's performance negatively. Board Size and Composition as prescribed by CBN, 2014:

a. The size of the Board of any bank or discount house shall be limited a minimum of five (5) and a maximum of twenty (20).

b. Members of the Board shall be qualified persons of proven integrity and shall be knowledgeable in business and financial matters, in accordance with the extant CBN Guidelines on Fit and Proper Persons Regime.

c. The Board shall consist of Executive and Non-Executive Directors. The number of Non-Executive Directors shall be more than that of Executive Directors.

2.1.4 Firm Financial Performance

Firm financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. George and Karibo (2014) defined it as the success in meeting pre-defined objectives, targets and goal within a specified time target. Some of the aspects that must be considered when attempting to define performance are: time frame and its reference point. It is possible to differentiate between past and future performance. And it has been shown that past superior performance does not guarantee that it will remain superior in the future (Santos & Brito, 2012).

Santos and Brito (2012) identified the Superior financial performance, which can be represented by profitability, growth and market value, underpins corporate governance practice in organizations. Profitability is a measure of a firm’s past ability to generate returns while growth demonstrates a firm’s past ability to increase its size. Increasing size, even at the same profitability level, will increase its absolute profit and cash generation. This, according to their research, goes to show that larger firm size can bring economies of scale and market power, leading to enhanced future profitability. Market value, on the other hand, represents the external assessment and expectation of firms' future performance, which must have a correlation with historical profitability and growth levels, while incorporating future expectations of market changes and competitive moves. The non-financial performance facets are: Customers' Satisfaction, Employees' Satisfaction, Environmental Performance and Social Performance. But the study focuses on Financial Performance aspect (profitability).

Figure 1: Conceptual Framework

Corporate-Governance

- Board Size
- Board ownership
- Board gender diversity
- Board meeting

(Independent variables)

Financial-Performance

-Return on capital employed

(Dependent Variable)

Source: Researcher's Design (2022)

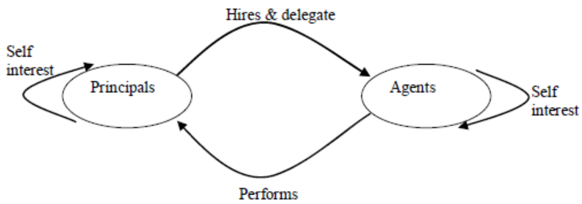
2.2- Theoretical Review

Experts in corporate governance have identified the agency theory, stakeholders' theory, institutional theory, stewardship theory and shareholders theory. These are prominent theory. The following theories of corporate govern which are discussed below.

2.2.1-Agency theory

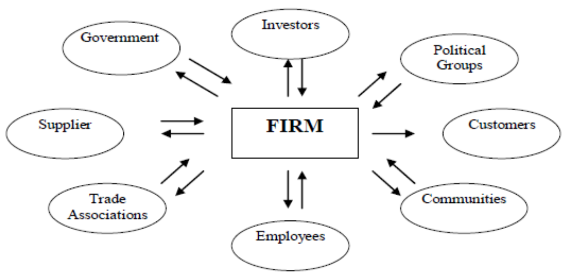
Agency theory was developed by Jensen and Meckling(1976). They suggested a theory of how the governance of a company is based on conflict of interest between the company's owners (shareholders), managers and major provider. According to Egbunike and Abiahu (2017), "Agency theory has been widely used in literature to investigate the information asymmetry between principals (shareholders) and agent (management)". The advent of Modern Corporation created a separation between ownership and control of wealth (Berle & Means, 1932). This is because as firms grow beyond the means of a single owner, who may be incapable of meeting the rapidly increasing obligations of the firm, there is the tendency that the ownership structure of the business will grow also with the attraction of new investors. As the firm continues to grow, the owners of the enterprise employ some professional executives to help them run the enterprise efficiently on a day to day basis. This arrangement creates a relationship in which the owners of the business become the principals and the executives, whom they contracted to help manage their firms, the agents.

Agency theory argues that as firms grow in size the shareholders (principals) lose effective control, leaving professional managers (agents), have more information than principals to manage the affairs of the business. Often times, this transfer of firm's control from principals to agents, creates a moral hazard which results in a situation where, to maximize their own wealth; agents may face the dilemma of acting against the interests of their principals. So, principals do not have access to all available information at the time a decision is being made by an agent, they are unable to determine whether the agent's actions are in the best interest of the firm (Jensen and Meckling (1976). When the interests and utility functions of the self-serving agents coincide with those of the principals, agency problem will not exist. However, when there is divergence, agency costs are incurred by the principals because the agents will want to maximize theirown utility at the expense of the principals.



2.2.2-Stakeholders' Theory

In 1984, R. Edward Freeman originally detailed the Stakeholder Theory of organizational management and business ethics that addresses morals and values in managing an organization. The stakeholders' theory was adopted to fill the observed gap created by omission found in the agency theory which identifies shareholders as the only interest group of a corporate entity. Within the framework of the stakeholders' theory, the problem of agency has been widened to include multiple principals (Sand, Garba & Mikailu, 2005). The stakeholders' theory provides that the firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm's activities. (Aminu, Aisha & Mohammad, 2015). The stakeholders' theory attempts to address the questions of which group of stakeholders deserve the attention of management. The stakeholders' theory proposes that companies have a social responsibility that requires them to consider the interest of all parties affected by their actions. The original proponent of the stakeholders' theory suggested a re-structuring of the theoretical perspectives that extends beyond the owner- manager-employee position and recognizes the numerous interest groups. Freeman, Wicks & Parmar (2004), suggested that: "If organizations want to be effective, they will pay attention to all and only those relationships that can affect or be affected by the achievement of the organizations purpose.



2.2.3-Shareholders Theory

The "shareholder theory," posited in the early 20th century by economist Milton Friedman, says that a company is beholden only to shareholders - that is, the company must make a profit for its shareholders

Shareholder value theory is the dominant economic theory in use by business. Maximizing shareholder wealth as the purpose of the firm is established in our laws, economic and financial theory, management practices, and language. Business schools hold shareholder value theory as a central tenet. Nobel Laureate Milton Friedman (1970) strongly argues in favor of maximizing financial return for shareholders. His capitalistic perspective clearly considers the firm as owned by and operated for the benefit of the shareholders. He says 'there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. Friedman's statements reflect three fundamental assumptions that lend support to the shareholder view of the firm. The first is that the human, social, and environmental costs of doing business should be internalized only to the extent required by law. All other costs should be externalized. The second is that self-interest as the prime human motivator. As such, people and organizations should and will act rationally in their own self-interest to maximize efficiency and value for society. The third is that the firm is

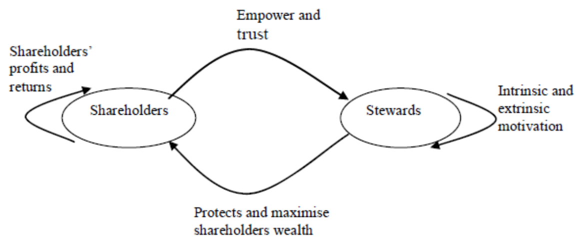
fundamentally a nexus of contracts with primacy going to those contracts that have the greatest impact on the profitability of the firm. M Having reviewed the above theories, this study is anchored onmshareholders theory, because the goal of the firm is to use its resources and engage in activities designed to increase its profits.

2.2.4-Stewardship Theory

Stewardship Theory, developed by Donaldson and Davis (1991 & 1993) is a new perspective to understand the existing relationships between ownership and management of the company. This theory arises as an important counterweight to Agency Theory

While profit drives any business, some companies may consider themselves part of something bigger. Stewardship theory holds that ownership doesn't really own a company; it's merely holding it in trust.

The operation may be a vehicle for a higher calling or designed to honor a founder's initial vision, so making a profit often takes a back seat to meeting a company's social standards The steward theory states that a steward protects and maximises shareholders wealth through firm Performance. Stewards are company executives and managers working for the shareholders, protects and make profits for the shareholders. The stewards are satisfied and motivated when organizational success is attained. It stresses on the position of employees or executives to act more autonomously so that the shareholders' returns are maximized. The employees take ownership of their jobs and work at them diligently.



2.2.5-Resource Dependency Theory

Pfeffer and Salancik (1978) devised the resource dependence theory to explain how organisations' behaviour is affected by the external resources they possess. They propose that firms change, as well as negotiate with, their external environment in order to secure access to the resources which they need to survive.

The Resource Dependency Theory focuses on the role of board directors in providing access to resources needed by the firm. It states that directors play an important role in providing or securing essential resources to an organization through their linkages to the external environment. The provision of resources enhances organizational functioning, firm's performance and its survival. The directors bring resources to the firm, such as information, skills, access to key constituents such as suppliers, buyers, public policy makers, social groups as well as legitimacy. Directors can be classified into four categories of insiders, business experts, support specialists and community influentials.

2.2.6-Transaction Cost Theory

Transaction cost theory states that a company has number of contracts within the company itself or with market through which it creates value for the company. There is cost associated with each contract with external party; such cost is called transaction cost. If transaction cost of using the market is higher, the company would undertake that transaction itself. However, agency theory was explored to carry out the study because the corporate governance variables were derived from it.

2.3 Empirical Review

Empirical studies on the nexus between corporate governance and financial performance among DMBs cut across various jurisdictions. From Nigeria, Olayinka, (2010) investigated the impact of board structure on corporate financial performance among some selected listed DMBs. This study examines the impact of board structure on corporate financial performance in Nigeria. It investigates the composition of boards of directors in Nigerian firms and analyses whether board structure has an impact on financial performance, as measured by return on equity (ROE) and return on capital employed (ROCE). Based on the extensive literature, four board characteristics (board composition, board size, board ownership and CEO duality) have been identified as possibly having an impact on corporate financial performance and these characteristics are set as the independent variables. The Ordinary Least Squares (OLS) regression was used to estimate the relationship between corporate performance measures and the independent variables. Findings from the study showed that there is strong positive association between board size and corporate financial performance. Evidence also exists that there is a positive association between outside directors sitting on the board and corporate financial performance. However, a negative association was observed between directors' stockholding and firm financial performance measures. In addition, the study reveals a negative association between ROE and CEO duality, while a strong positive association was observed between ROCE and CEO duality.

In another study, carried out by Akingunola, Adekunle and Adedipe (2013) on Corporate Governance And Bank's Performance in Nigeria (Post – Bank's Consolidation), they considered estimated models. Binary probit was adopted to test the covariance matrix computed on structured questionnaire to bank's clients and it was discovered that the variables such as independence, reliance, and fairness helps in the effective performance of banks but the major significant ones in this consolidation period are accountability and transparency of bank's staff. Also, least square regression analysis was adopted to convey the relationship between bank deposits and bank credit. The estimation of the developed model was found that banks total credit was positively related but not significantly determinant factors of bank's performance, and bank deposit was found to be positively related to bank performance.

In a related research conducted by George and Karibo (2014) on Corporate Governance Mechanisms and Financial Performance of Listed Firms in Nigeria: A Content Analysis, the study adopted a content analytical approach to obtain data through the corporate website of the respective firms and website of the Securities and Exchange Commission. A total of 33 firms were selected for the study cutting across three sectors: manufacturing, financial and oil and gas. The result of the study showed that most of the corporate governance items were disclosed by the case study firms. The result also showed that the banking sector has the highest level of corporate governance disclosure compared to the other two sectors. The result thus indicates that the nature of control over the sector have an impact on companies' decision to disclose online information about their corporate governance in Nigeria; and that there were no significant differences among firms with low corporate governance quotient and those with higher corporate governance in terms of their financial performance.

Kajola (2008) investigated the relationship between indicators of corporate governance (board size, board composition, chief executive status and audit committee) and performance which are proxied with return on equity and profit margin. He sampled 20 Nigerian listed firms from periods 2000 to 2006 and adopted panel data methodology and OLS to analyse. Results found proved a positive significant relationship between ROE and board size and chief executive status; positive relationship between profit margin and chief executive status; and insignificant relationship between the two performance ratio, board composition and audit committee. Utilizing the regression method, Ammar et al (2013) from a sample of 22 banksin the Nigerian Stock Exchange (NSE) for periods 2012 to 2016 gathered that there exist a positive association between board size and firm performance while a negative relationship existed between nonexecutive directors' percentage, chief executive officer duality and performance. Osundina et al (2016) studied the relationship between corporate governance measured by board structure index, ownership structure index and audit committee index and performance measured by ROA of selected banks. The study adopted ex-post facto research design and 6 sampled banks were investigated from period 2012- 2016. Results indicated that board.

Musa (2020) investigated the relationship between corporate governance and the financial performance of Nigerian banks. The independent variables of the study include board independence, board meetings and board gender while the dependent variable is return on assets (ROA). Furthermore, the research made use of secondary data obtained from the annual reports of fifteen (15) banks listed in the Nigeria Stock Exchange for the year 2013 to 2015. This study utilized a panel data technique on 15 banks with 45 firm-year observations.

The random effect model was used to examine the effect of the predictors on financial performance. The results indicated that the relationship between board independence and ROA is negatively insignificant. Board meeting and ROA were found to be negatively significant. However, the relationship between board genders, board size and ROA were negatively insignificant. While the relationship between firm size and ROA is positively significant. For bank age and ROA, the relationship was found as negatively significant. This study provides a guide for regulators and the Nigerian banking industry.

Rahmadanti, Wahyudi and Farhan (2022) evaluated the effect of ISR disclosure and good corporate governance (GCG) on financial performance as well as the effect of ISR disclosure on financial performance with firm size as a moderating variable, and the effect of GCG on financial performance with firm size as a moderating variable. The population used in this study consists of 14 BUS in Indonesia in a period of 5 consecutive years in the 2016-2020 period while the sample in this study was 11 BUS in Indonesia for the period 2016-2020. The study explored quantitative research design. The data used in this study were obtained from the annual reports of Syariah banks in Indonesia for 2016-2020 through the OJK. The study used time series data covering 2016-2020 and cross sectional data consisting of 11 BUS. The results of this study indicate that the ISR disclosure variable has a positive and insignificant effect on Financial Performance which is measured using ROA, the GCG variable has a significant and negative effect on financial performance, firm size as a moderating variable on the relationship between ISR disclosure and financial performance has a significant and positive effect, firm size as a moderating variable on the relationship between GCG disclosure and financial performance has no significant and negative effect.

Abu, Okpeh and Okpe (2016) investigated the influence of board characteristics on the financial performance of listed deposit money banks in Nigeria for the period of 2005-2014.

The total number of listed deposit money banks as at 31st December, 2014 are seventeen (17) out of which a sample of fifteen (15) were used for the study. The study categorically seeks to examine whether board characteristics (proxy by executive director, independent director, grey director, women director and foreign director) has any influence on the Performance of listed Deposit Money Banks in Nigeria. The study adopted multiple regression technique as a tool of analysis and data were collected from secondary source through the annual reports and accounts of the sampled banks. The findings show that foreign director is significantly and positively correlated or influenced the performance of deposit money bank, while the grey director have negative significant effect on the performance of deposit money banks in Nigeria. Other variables such as executive director, independent non-executive director and women director have no significant impact on banks performance in Nigeria. Therefore, the study among others recommended that the management of deposit money banks in Nigeria should increase the number of foreign directors on board to a certain number as they have skills, expertise, experience and would like to protect their integrity, reputation and professional competence with creativity and innovation to manage the relationship between the boards and stakeholders leading to an improvement in the bank financial performance. Similarly, the study recommended that the number of grey directors on board should be reduced to an average of three (3) or four (4) as the case may be in order to overcome its negative effect on performance.

Abubakar, Sulaiman and Haruna (2018) examined the Effect of Firms Characteristics and Financial Performance of Listed Insurance Companies in Nigeria. The data for the study were collected from the annual reports and accounts of Insurance companies quoted in the Nigeria Stock Exchange (NSE) within the period of 2007 and 2016. Robust regression analysis was used to test the hypothesis in addition to some diagnostic tests conducted on the data. The results of the study revealed that liquidity and Age have significant negative impact on financial performance of insurance companies in Nigeria. The study recommends that companies are to convert significant part of their cash and cash equivalent into productive assets that can improve their financial performance.

Agyei-Mensah (2018) investigated selected corporate governance attributes and financial reporting lag and their impact on financial performance of listed firms in Ghana. The study uses 90 firm-year data for the period 2012–2014 for firms listed on the GSE. Each annual report was individually examined and coded to obtain the financial reporting lag. Descriptive analysis was performed to provide the background statistics of the variables examined. This was followed by regression analysis, which forms the main data analysis. The descriptive statistics indicate that over the three years, the mean value of timeliness of financial reporting (ARL) is 86 days (SD 21 days), minimum is 55 days and maximum is 173 days. The regression analysis results indicate that financial reporting lag has a negative statistically significant relationship with firm performance. This negative sign indicates that when financial performances of companies are high (good news), companies have the tendency to disclose this situation early to the public. Firms that are not timely in the financial reporting practices will find it difficult to attract capital as the delay will affect their reputation.

Oyedokun (2019) examined the effect of board characteristics on financial Performance of quoted commercial banks in Nigeria for the period 2013-2017. Ex-post Facto research design was adopted. Board characteristics used include size, independence, gender diversity and board meeting. Data were extracted from the annual reports of the quoted commercial banks. Multiple panel regression analysis was used to analyse the data. The result shows that board characteristics have a significant effect on the financial performance of quoted commercial banks in Nigeria. Specifically, Board gender diversity hasa significant positive effect, and board meetings have a significant negative effect on board characteristic while board size hasan insignificant negative effect on financial Performance while board independence hasan insignificant negative effect on financial Performance. Based on the findings, This study, recommends that, the regulators of commercial banks in Nigeria should increase surveillance and supervision to ensure proper overall risk management that could safeguard the interest of all stakeholders and the reputations of the banks, The regulators and the management of the commercial banks in Nigeria should emphasize the optimal size of the board and board of directors should have composed of more independent/non-executive directors who are experts in the financial services industry to bring more independent and expert-based judgments and opinions with regard to risk management and the overall performance of the banks.

Aminu, Aisha and Muhammad (2015) analyzed the effects of board size and board composition on the performance of Nigerian banks. The financial statements of five banks were used as a sample for the period of nine years and the data collected were analysed using the multivariate regression analysis. The paper found that board size has significant negative impact on the performance of banks in Nigeria. This signifies that an increase in Board size would lead to a decrease in ROE and ROA. On the other hand, board composition has a significant positive effect on the performance of banks in Nigeria. This signifies that an increase in Board composition would lead to a decrease in ROE and ROA. It is recommended that banks should have adequate board size to the scale and complexity of the organisation's operations and be composed in such a way as to ensure diversity of experience without compromising independence, compatibility, integrity and availability of members to attend meetings. The board size should not be too large and must be made up of qualified professionals who are conversant with oversight function. The Board should comprise of a mix of executive and non-executive directors, headed by a Chairman.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

The study was quantitative in nature. The population for this study includes companies listed on the Nigerian Stock Exchange. Purposive sampling technique was adopted to select (22) banks listed on the Nigerian Stock Exchange market. This was due to the fact that data needed were not sufficient in the annual reports of all the listed banks, hence the use of the six (6)selected banks in Nigeria. Below are the 6 selected banks;

S/N	BANKS	Year of Listing
1	Guaranty trust bank PLC	1996
2	First Bank PLC	1971
3	United Bank of Africa PLC	1970
4	Diamond Bank PLC	2005
5	Access Bank PLC	1998
6	Union Bank PLC	1970

Source: Researcher's Design (2022)

3.1 Research Design

The research design adopted for this study is ex-post facto research design using panel of data for the period under study (2012-2016). The choice of this design was chosen because the researchers are reporting what is already in existence (that is published financial statements), which provides basis for full establishment of banks in Nigeria.

3.2 Population of the Study

The population of the study consists of all listed money deposit in banks whose shares are quoted on the Nigeria Stock Exchange. We have 22 banks but we are restricted to using 10 selected banks in Nigeria Therefore, the population size is 22 banks. The data for this study are limited to the financial statement of listed banks whose annual reports are available on Nigeria Stock Exchange (NSE) under the period of study (2011-2020). These periods are chosen base on the availability of data.

3.3 Sampling and Sampling Technique

This study employed purposive or judgmental sampling technique to select twelve (12) commercial banks out of twenty two (22) banks operating currently in Nigeria. This selection is base only on banks whose shares are quoted on the floor of the Nigeria Stock Exchange (NSE) and whose financial statements are available. The technique is well suited for determining the sample as it provides an equal probability of selection and as such minimizes selection bias. The sample size is twelve (12) selected banks out of the population of twenty two deposit money banks in Nigeria, using a period of ten years in the financial report, 2011-2020. The sampling technique is based on judgemental sampling technique. The research used only secondary data that were extracted from the annual reports and statement of account (statement of comprehensive income and statement of financial position) of selected banks in Nigeria.

3.4 Method of Data collection

The population of this study consists of the top 22 registered deposit money banks in Nigeria based on their total assets. Their cumulative assets were compared using the newly uploaded accounts on their official websites. The research will span a period of 10 years from 2011 to 2020. For the study, a total of 120 observations from 12 deposit money banks chosen for 10 years from 2011 to 2020 will be used. Secondary source of data was used for this research. The data were collected from financial statements of the twelve (12) deposit money banks selected from the Nigerian Stock Exchange listing for the period of ten (2011-2020) financial years.

3.5 Model Specification

A multiple regression model was developed for this study. The model was adapted from the study of Osundina et al (2016) by replacing return on assets with return on equity employed. It is presented below:

$$FPF = \beta + \beta\ BDO + \beta\ BDS + \beta\ BDG + \beta\ BDM + \varepsilon \qquad (1)$$

Where:

FPF = Financial performance

BDO = Board ownership

BDS = Board size

BDG = Board gender

BDM = Board meeting

β_0 = Intercept

β_1, β_2, β_3 and β_4 = Regression coeeficients

ε = Error term

3.6 Measurement of Variables

The dependent variable of this study is firm performance. It was measured by return on capital employed (ROCE). The independent variables of this study include board ownership, board size, board gender diversity and board meeting. The measurement of variables is presented in Table 3.1 below.

Table 3.1: Measurement of Variables

SN	Variable	Nature	Notation	Measurement	Authority
1	Financial Performance	Dependent	ROCE	% of PAT to Capital Employed	Olayinka (2010)
2	Board ownership	Independent	BDO	% of shares of the directors to the total share capital	Osundina et al (2016)
3	Board size	Independent	BDS	Number of directors on the board	Amar et al (2013)
4	Board gender diversity	Independent	BDG	% of female to total	

				number of directors	
5	Board meeting	Independent	BDM	Number of board meeting in a year	

Source: Researcher's Design (2022)

3.6 Method of Data Analysis

The data generated for this study were analysed using the application software, SPSS Version 22. Descriptive statistics in a tabular form which included mean and standard deviation were used to describe the variables of the study. Inferential statistics explored include correlation analysis which was employed to answer the research questions and multiple regression analysis which was used to test the hypotheses of the study.

CHAPTER FOUR

PRESENTATION OF RESULTS AND DATA ANALYSIS

4.0 Preamble

The current chapter mainly focused on the analysis of the data collected from the field and interpretation of the results obtained from the statistical analyses. The chapter covers descriptive analysis, answers to the research questions and test of the hypotheses of the study.

4.1 Descriptive Statistics

The descriptive statistics involved computation of means and standard deviations for the all the variables of the study. The descriptive statistics are presented in Table 4.1 below. The mean score obtained for financial performance is very low (Mean = 5.43%, Min = -57.30%, Max = 48.08%, SD = 10.47634). In other words, a mean of 5.43% was obtained for return on capital employed which was used as a proxy for firm performance in this study. This value suggests that the profitability of an average company in the sector sampled for this study is very low. The mean score obtained for board ownership revealed that board shareholding is moderate, being above 10% and below 50% (Mean = 10.47%, Min = 0.00, Max = 101.98, SD = 17.42769). This outcome implies that the board of directors hold significant shareholding interest in an average DMB sampled for this study.

Table 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FPF	120	-57.30	48.09	5.4278	10.47634
BDO	120	.00	101.98	10.4732	17.42769
BDS	120	6.00	21.00	13.8167	3.18606
BDG	120	.00	45.45	18.0723	10.55616
BDM	120	2.00	16.00	5.9667	2.23394
Valid N (listwise)	120				

Source: Researcher's Computation (2022)

The mean score obtained for board size is moderate (Mean = 14, Min = 6, Max = 21, SD = 3.18606). The board of an average DMB sampled for this study is in line with the requirements of the Code of Corporate Governance 2018, formulated by the Financial Reporting Council of Nigeria which specified a minimum of six directors and a maximum of 15 directors for effective board deliberations. This finding signifies that the board decisions are likely to be of high quality since the decisions can be reached on time from a wide variety of board diversity already accommodated on the board due to a moderate board size. The mean score obtained for interest coverage ratio is about 10 times (Mean = 9.83, Min = -13.03, Max = 662, SD = 66.11131). This value signifies that an average company in the sector sampled can pay their interest 10 times from their profit. This result suggests that an average company sampled in that sector is credit worthy.

4.2 Research Questions

Four research questions were asked in this study. The questions link corporate profitability with the four proxies of capital structure investigated in this study. Therefore, correlation analysis was used to answer the research questions. The outcomes of this statistical analysis are presented in the following sub-sections.

4.2.1 Research Question One

The first research question focuses on the extent to which board ownership impact on financial performance of listed bank in Nigeria. Table 4.2 contains the correlation result on the relationship between board ownership and financial performance of listed bank in Nigeria. The correlation results reveals that a negative and significant relationship exists between board ownership and financial performance (r = -0.210, Sig. = 0.021). This result suggests that board ownership may not have significant impact on financial performance of listed oil and gas companies in Nigeria.

Table 4.2: Correlation Result (Research Question One)

		FPF	BDO
FPF	Pearson Correlation	1	-.210*
	Sig. (2-tailed)		.021
	N	120	120
BDO	Pearson Correlation	-.210*	1
	Sig. (2-tailed)	.021	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed). **Source: Researcher's Computation (2022)**

4.2.2 Research Question Two

The second research question looks at the extent to which board size affect the financial performance of listed banks in Nigeria. Table 4.3 contains the correlation result on the relationship between board size and financial performance. The correlation result shows that a negative but non-significant relationship exists between board size and financial performance. (r = -0.008, Sig. = 0.935). This result signifies that board size may not have significant effect on the financial performance of listed banks in Nigeria.

Table 4.3: Correlation Result (Research Question Two)

		FPF	BDS
FPF	Pearson Correlation	1	-.008
	Sig. (2-tailed)		.935
	N	120	120
BDS	Pearson Correlation	-.008	1
	Sig. (2-tailed)	.935	
	N	120	120

Source: Researcher's Computation (2022)

4.2.3 Research Question Three

The third research question considers the impact of board gender diversity on the financial performance of listed banks in Nigeria. Table 4.4 contains the correlation result on the relationship between board gender diversity and financial performance. The correlation result shows that a positive but non-significant relationship exists between board gender diversity on the financial performance of listed banks in Nigeria. (r = 0.048, Sig. = 0.606). This result suggests that board gender diversity may not have significant effect on the financial performance of listed banks in Nigeria.

Table 4.4: Correlation Result (Research Question Three)

		FPF	BDG
FPF	Pearson Correlation	1	.048
	Sig. (2-tailed)		.606
	N	120	120
BDG	Pearson Correlation	.048	1
	Sig. (2-tailed)	.606	
	N	120	120

Source: Researcher's Computation (2022)

4.2.4 Research Question Four

The fourth research question examines the extent to which board meeting affect the financial performance of listed banks in Nigeria. The correlation result on the relationship between board meeting and financial performance of listed banks in Nigeria is contained in Table 4.5 below. The correlation result indicates that a negative and significant relationship exists between board meeting and financial performance. (r = -0.224, Sig. = 0.014). This result suggests that board meeting has significant effect on financial performance of listed banks in Nigeria.

Table 4.5: Correlation Result (Research Question Four)

		FPF	BDM
FPF	Pearson Correlation	1	-.224*
	Sig. (2-tailed)		.014
	N	120	120
BDM	Pearson Correlation	-.224*	1
	Sig. (2-tailed)	.014	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Researcher's Computation (2022)

4.3 Test of Hypotheses

Four hypotheses were formulated for this study. Multiple regression analysis was explored to test the hypotheses of the study. The results of the multiple regression analyses were contained in Table 4.6 – Table 4.8. Table 4.6 contains the model summary. The model summary reveals that a positive relationship exists between corporate governance characteristics and financial performance of the sampled listed banks in Nigeria (r = 0.328). The R square value obtained is very small (R square = 0.108). This outcome implies that only 10.8% of the variation in financial performance can be accounted for by the corporate governance variables examined in this study. Therefore, more variables are needed to be able to predict the profitability among the sampled companies.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.328	.108	.077	10.06621

a. Predictors: (Constant), BDM, BDG, BDO, BDS

Source: Researcher's Computation (2022)

Table 4.7 contains the output of the analysis of variance (ANOVA). The F-Value obtained is moderate and significant (F-Value = 3.474, Sig. = 0.010). This result implies that the model is of good fit and can predict the variation in return on asset accurately.

Table 4.7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1407.906	4	351.976	3.474	.010
1	Residual	11652.780	115	101.329		
	Total	13060.686	119			

a. Dependent Variable: FPF

b. Predictors: (Constant), BDM, BDG, BDO, BDS

Source: Researcher's Computation (2022)

The multicolinearity statistics and the regression coefficients are contained in Table 4.11 below. The multicolinearity results show that all the tolerance values obtained for all the independent variables are greater than 0.2 (Mernard, 1993) and all the variance inflation factors (VIFs) obtained for all the independent variables are less than 10 (Belsley, 1991). These outcomes suggest that there is no multicolinearity problem among the independent variables of the study. Therefore, the results of the multiple regression results can be interpreted with high level of confidence.

Hypothesis One

Hypothesis one states that board ownership has no significant impact on financial performance of listed banks in Nigeria. The regression coefficient obtained is negative and significant (Beta = -0.233, t-value = -2.608, Sig. = 0.010). This outcome suggests that board ownership has a significant impact on return on financial performance. Therefore, the null hypothesis was rejected and it could be concluded that board ownership had a significant impact on financial performance of listed banks in Nigeria.

Hypothesis Two

Hypothesis two posits that board size has no significant effect on financial performance of listed banks in Nigeria. The beta value obtained is positive but insignificant (Beta = 0.018, t-value = 0.194, Sig. = 0.847). This outcome suggests that board size has no significant effect on financial performance. Therefore, the null hypothesis was accepted and it could be concluded that board size has no significant effect on financial performance of listed banks in Nigeria.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12.663	4.763		2.658	.009		
	BDO	-.140	.054	-.233	-2.608	.010	.970	1.031
	BDS	.058	.299	.018	.194	.847	.940	1.064
	BDG	.033	.088	.033	.373	.710	.984	1.017
	BDM	-1.200	.425	-.256	-2.824	.006	.945	1.058

a. Dependent Variable: FPF

Source: Researcher's Computation (2022)

Hypothesis Three

Hypothesis three reads that board gender diversity has no significant impact on financial performance of listed banks in Nigeria. The regression coefficient obtained is positive but non-significant (Beta = 0.033, t-value = 0.373, Sig. = 0.710). This outcome suggests that board gender diversity has no significant impact on financial performance. Therefore, the null hypothesis was accepted and it could be concluded that board gender diversity has no significant impact on financial performance of listed banks in Nigeria.

Hypothesis Four

Hypothesis four proposes that board meeting has no significant effect on financial performance of listed banks in Nigeria. The beta value obtained is negative and significant

(Beta = -0.256, t-value = -2.824, Sig. = 0.006). This outcome suggests that board meeting has significant effect on financial performance. Therefore, the null hypothesis was rejected and it could be concluded that board meeting has significant effect on financial performance of listed banks in Nigeria.

4.4 Discussion of Results

The finding in relation to hypothesis one revealed that board ownership had a significant negative impact on financial performance of listed banks in Nigeria. This finding is supported by the study of Rahmadanti et al. (2022) which found that board ownership had significant negative effect on financial performance. However, the study of Oyedokun (2019) which established that board ownership had a significant positive effect on financial performance, did not support this finding. Similarly, Abu et al. (2016) which found that foreign director ownership had significant positive effect on financial performance of deposit money banks in Nigeria, did not support the finding of this study.

Taking hypothesis two into consideration, this study established that board size has no significant effect on financial performance of listed banks in Nigeria. This outcome derived support from the study of Oyedokun (2019) which found that board size had an insignificant negative effect on financial performance. Contrarily, this outcome was not supported by the findings in the study of Musa (2020) which posited that a significant negative relationship exists between board size and ROA. Also, the study of Rahmadanti et al. (2022) which found that board size had significant negative effect on financial performance did not support the outcome of this study. Furthermore, the study of Aminu et al. (2015) which observed that board size had significant negative impact on the performance of banks in Nigeria did not support the outcome of this study.

Moreover, concerning hypothesis three, this study found out that board gender diversity had no significant impact on financial performance of listed banks in Nigeria. This result got support from the study of Abu et al. (2016) which documented that women directorship had no significant impact on banks performance in Nigeria but was not supported by the study of Musa (2020) which found a significant negative relationship between board gender and ROA. However, the study of Rahmadanti et al. (2022) which found that board gender had significant negative effect on financial performance did not support this result. Also, the study of Oyedokun (2019) which observed that board gender diversity had a significant positive effect on financial Performance did not support the result of this study. Aminu et al. (2015) that documented a significant positive effect of board composition on the performance of banks in Nigeria did not align with the result of this study as well.

Nevertheless, in connection with hypothesis four, it was found out that board meeting had significant effect on financial performance of listed banks in Nigeria. This outcome derived support from the study of Musa (2020) which found a significant negative relationship between board meeting and ROA. Further support was derived from the study of Rahmadanti et al. (2022) which found that board meeting had significant negative effect on financial performance. More support was obtained from the study of Oyedokun (2019) which posited that board meetings had significant negative effect on financial Performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Preamble

This chapter focused on summary of the work done which includes the summary of findings, conclusion, recommendations and suggestion for future studies. The conclusion was drawn from the findings of this study. The recommendations were derived from the conclusion of this study. Suggestions for further studies emanated from the limitations of this study.

Summary of the Work Done

This study investigated the impact of corporate governance on financial performance of banks in Nigeria. The research work began with the review of relevant literature. The gaps in the previous studies were observed which include geographical, variable exclusion and methodological gaps. Thus, this study proceeded to fill the identified gaps. 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 had a significant negative impact on financial performance of listed banks in Nigeria.
- Board size has no significant effect on financial performance of listed banks in Nigeria.
- Board gender diversity had no significant impact on financial performance of listed banks in Nigeria.

- Board meeting had significant effect on financial performance of listed banks in Nigeria.

Conclusion

This study investigated the impact of corporate governance on financial performance of banks in Nigeria. 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.

Recommendations

Based on the conclusion of this study, 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.

Suggestion for Further Studies

This study investigated board of directors' characteristics as independent variables; future studies may consider other corporate governance structure such as audit committee, risk management committee and remuneration committee. Since the current study focused on listed DMBs in the financial sector, future studies may consider other industries in financial sector which include microfinance banks, mortgage banks, insurance companies.

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Appendix I: List of Banks Sampled

S/N	Name of the Bank
1	Access Bank
2	Fidelity Bank
3	First Bank
4	First City Monumental Bank
5	GTB
6	Sterling Bank
7	Stanbic IBTC Bank
8	ECOBANK
9	UBA
10	Union Bank
11	WEMA Bank
12	Zenith Bank

Appendix II: Data Used for the Study

ROCE	BDO	BDS	BGD	BDM
4.5718	15.2727	15	15	8
8.5544	9.0925	15	15	8
8.927	7.7691	17	17	7
8.0041	7.0521	16	16	6
8.2633	10.7042	16	16	6
6.4775	9.8693	15	15	10
4.3111	9.7782	17	17	8
4.3188	10.4165	15	15	10
3.9913	4.5909	18	18	10
1.4508	4.7164	18	18	9
0.0924	4.7728	19	19	8
10.8035	3.9133	16	16	8
3.2831	4.4895	16	16	12
4.2276	1.1919	19	19	12
3.0349	1.5768	14	14	4
2.1896	1.7827	18	18	4
3.3616	1.3603	12	12	9
3.3883	1.3	15	15	8
3.415	1.52	14	14	7
1.0171	1.7411	15	15	16
3.946	0.1536	16	16	7
11.805	1.608	6	6	4

9.6969	1.6001	8	8	7
7.1902	1.3968	11	11	9
1.7998	2.3159	12	12	4
1.4056	2.2945	11	11	4
2.7147	2.3606	10	10	8
3.1364	2.4986	10	10	8
3.8458	3.0011	10	10	8
1.0886	3.2117	13	13	9
24.0407	1.9921	15	15	8
8.4042	1.1029	15	15	6
6.2049	1.0553	12	12	3
5.4969	1.0626	11	11	6
1.6913	1.0614	10	10	5
3.1689	1.1229	10	10	5
2.3095	2.1019	12	12	5
3.0256	2.1019	12	12	5
2.775	2.1104	11	11	5
1.0645	1.0925	11	11	5
11.1984	0.035	14	14	5
17.5612	0.2451	14	14	4
15.8571	0.2971	14	14	4
15.7775	0.2701	15	15	4
13.2016	0.2368	15	15	4
14.6119	0.239	16	16	4

15.5341	0.2205	15	15	4
21.2728	0.2011	14	14	5
18.8937	0.2007	14	14	5
4.8152	0.5703	14	14	5
4.1354	24.3731	12	12	4
4.1033	12.9363	12	12	2
12.9425	0.9601	11	11	4
10.3815	0.9601	7	7	5
6.7845	0.7194	10	10	5
8.4799	0.7194	10	10	6
9.6663	0.7126	10	10	4
12.671	0.3565	8	8	4
7.3409	0.3344	11	11	4
3.8095	0.3376	11	11	4
10.6027	55.1934	13	13	7
11.2374	49.9275	11	11	4
14.8709	37.7503	11	11	6
6.6437	37.5081	16	16	4
5.282	33.7256	17	17	4
2.4052	31.2933	16	16	4
2.2217	31.4259	15	15	5
2.772	29.4016	17	17	5
3.6797	29.4306	15	15	4
0.9524	30.5691	14	14	5

- 19.4459	0.0223	7	7	12
1.7744	0.0237	18	18	6
0.9886	0.0175	17	17	8
5.601	0.0171	18	18	6
3.0324	0.0207	19	19	5
2.6484	0.0627	18	18	7
2.376	0.4904	20	20	8
3.0437	0.3175	15	15	7
2.5198	0.6267	16	16	8
1.1855	0.8035	14	14	7
-8.2182	6.5813	18	18	7
14.4293	1.0204	16	16	4
11.6517	1.0507	19	19	6
9.4787	5.8462	17	17	6
10.203	6.8781	19	19	5
3.7554	6.6202	19	19	7
7.8783	7.0515	19	19	6
7.0212	8.9954	21	21	6
6.2833	7.1158	20	20	5
1.7129	7.4466	16	16	7
- 57.2989	32.8329	15	15	4
8.7015	3.2311	16	16	6

-33.5191	34.7105	16	16	13
10.0084	30.1832	14	14	7
1.1057	22.03	15	15	4
0.795	71.5975	15	15	5
14.8664	71.5975	7	7	7
-23.6761	47.4346	9	9	5
1.9707	47.7092	9	9	5
0.4519	47.7169	9	9	4
-5.5851	0.111	9	9	6
-7.0478	0.1086	12	12	5
2.7143	0.0865	13	13	5
2.5031	0.0004	13	13	4
2.7249	0.025	14	14	5
2.3058	4.5385	12	12	5
2.2441	4.5384	12	12	6
4.0113	0.3889	12	12	5
4.8778	21.248	11	11	5
0.6056	101.9769	12	12	4
24.3493	0.4806	12	12	4
48.0914	0.3582	14	14	5
30.9685	0.3491	12	12	4
9.8358	9.5169	12	12	4

8.6694	9.529	12	12	4
8.9254	9.5514	13	13	4
9.4311	14.6441	14	14	5
10.2277	16.5891	13	13	6
11.6711	16.7051	14	14	7
0.3049	16.647	13	13	5

Source: Nigeria Stock Exchange (2022)