CORPORATE GOVERNANCE AND THE FINANCIAL PERFORMANCE OF LISTED DEPOSIT MONEY BANKS IN NIGERIA.

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ABSTRACT

Since the CBN consolidation process in 2005, when the corporate governance code was introduced, corporate governance has gotten much attention from academics. Good corporate governance is required to effectively administrate organizational resources, especially in the banking business, where management and shareholders are separated. Prior research' sample sizes and periods, on the other hand, were insufficient for drawing broad generalizations, as most research in this study was conducted for a period of 5 to 6 years, with inadequate sample sizes. The findings indicated contradictory viewpoints on how corporate governance policies affect the financial performance of Nigeria's publicly traded deposit money banks. Corporate governance and the financial performance of listed deposit money banks in Nigeria was studied. The ***quasi-experimental design*** research design was used for the investigation. The population is the thirty-three (33) listed deposit money banks on Nigeria Stock Exchange (NSE) as at 31st December 2019. A sample size of eighteen (18) firms were selected and the period under review is 2010-2019 (10 years). The research's data came from the sampled companies' annual reports, and descriptive and inferential statistics were utilized to examine it. Based on statistical results, the study revealed that overall, low levels of Corporate Governance practices were seen among Nigerian listed companies, particularly when it came to several practices relating to the composition of the board of directors. It is however recommended that the Nigerian Capital Market Authority should encourage all Nigerian-listed companies to make more thorough Corporate Governance investments. Such an investment is crucial to enhancing the businesses' overall competitiveness.

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Keywords: Corporate governance, Board composition, Board size, Audit Committee size, Bank financial performance.

DECLARATION

I, Chikamso Okeke, hereby declare that this paper being submitted is wholly written by me with citations and references included where appropriate. That is, all information that was gathered during the course of this investigation has been acknowledged.

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CHAPTER ONE
INTRODUCTION

1.1. Background to the Study

Corporate governance refers to how governments and other organizations interact with their communities and stakeholders to improve their quality of life (Ato, 2002). It is a set of laws, regulations, and processes that control the direction and regulation of businesses. The concept of corporate governance encompasses a wide range of measures to improve governance within an organization. In 2018, the Financial Reporting Council of Nigeria issued the Nigerian Code of Corporate Governance (the "Code"), which established a new standard to strengthen corporate governance in the country. This enactment was put in place to enhance accountability in corporate relationships. Corporate governance is determined by a company's level of corporate responsibility in terms of accountability, transparency, and ethical values. Corporate governance is not only concerned with corporate efficiency; it relates to a much more comprehensive range of company strategies and life cycle development (Mayer, 2007).

Peterson (2021) stated that Nigeria is witnessing transition, growing transparency, and high consistency. Regardless, in light of the continued stock market misbehavior, there is a push for improved corporate governance measures. The banking sector remains vital and plays a big role in the fast-changing and competitive Nigerian economy. The importance of strong governance in terms of a company's reputation cannot be overstated. The financial system benefits from excellent company governance because it fosters trust and goodwill. Good corporate governance, according to recent studies, results to higher valuation, profit, sales growth, and lower capital expenditure (Wolfgang, 2003). As a result, excellent corporate governance increases the value of a company's performance and offers meaningful and trustworthy financial reports on its activities.

Financial performance is the monetary measurement of a company's operations. Any organization's financial performance is critical since it reflects managerial effectiveness and informs investors about its overall health. Mustapha (2014) posited that financial measures have long been the foundation for business performance measurement, as it provides a high level of information on the position of an organization. Bala (2020) explained that effective corporate governance could fortify strong risk management and internal control at banks and boost their financial performance. However, as seen by the failures of Lead Bank Plc, Gulf Bank of Nigeria

Plc, Assurance Bank Nigeria Limited, and others, banks' prosperity is hampered by a disregard for ethical standards and good governance. The Central Bank of Nigeria (CBN) canceled their licenses in 2006, and the recent failures of Intercontinental Bank Plc, Oceanic Bank Ltd, and Bank PHB in 2011.

In light of this, the purpose of this research is to determine the effectiveness of corporate governance, as well as to provide ways for improving financial performance and credible business practices in Nigerian listed deposit money banks.

1.2 Objective of the Study

The main objective is to examine the effect of corporate governance on the financial performance of listed deposit money banks in Nigeria. The specific objectives are to;

i. Examine how the size of a Board affect the financial performance showcased by the listed deposit-money banks in Nigeria.
ii. Evaluate the effect of the audit committee size on the financial performance of the listed deposit-money bank in Nigeria.
iii. Identify the effect of board composition on the financial performance of the listed deposit-money banks in Nigeria.

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CHAPTER TWO
LITERATURE REVIEW

The relevant literature on the topic of corporate governance and the financial performance of listed deposit money banks in Nigeria is examined in this chapter. A conceptual evaluation, which is a thorough examination of the concept of corporate governance and financial performance by many academics, will be included in this section. It will also provide a review of the research's underlying theory, and an empirical review of literatures.

2.1. Conceptual review

2.1.1 Corporate Governance

The viewpoints, perspectives, and visibility of researchers influence how corporate governance topics are perceived (Peterson, 2021). It was claimed that certain definitions were too limited and others were too vast. A definition is deemed broad if it prioritizes everyone's safety and does not specify who they are, and limited if it prioritizes increasing shareholder interests while ignoring or disregarding the interests of other stakeholders. The Cadbury Report's description of corporate governance as the management and control of businesses is a popular notion (Peterson, 2021; Arifin, Astuti & Arifin, 2014; Cadbury Report, 1992). This idea places a heavy emphasis on the need for strong management without raising the problem of maximizing shareholder interests or protecting stakeholders.

Corporate governance is the process by which an institution's business operations are directed and managed, according to the Central Bank of Nigeria's (CBN) code of corporate governance for banks and other financial organizations in Nigeria. It is a system of rules and incentives that regulate how an organization's management is managed and controlled (Adeusi et al., 2013). The term "corporate governance" refers to a system of rules that govern how firms are run. If a firm is managed with diligence, openness, responsibility, and accountability to maximize shareholder wealth, it is said to have followed corporate governance rules. According to Akinsulire (2006), corporate governance is a word that refers to the basic mechanisms that motivate management to behave in the best interests of the company's owners. Corporate performance refers to the ways and styles in which an institution's resources (human, machine, and financial) are effectively used to achieve an organization's ultimate corporate goal.

Shleifer & Vishny (2012), noted that effective corporate governance is a strategy to ensure that investors will receive a return on their investments. The framework is made up of a number of laws that govern the interactions between stakeholders, including investors, trustees (supervisors), businesses, financial institutions, the federal government, employees, and stakeholders, as well as other internal and external responsibilities and civil liberties.

2.1.2 Financial Performance

Financial performance is the measurement of the results of a firm's operations in monetary terms. The financial performance of any organization is crucial, as it reflects the effectiveness of the management and tells investors about the general well-being of the company. The financial performance of any entity is vital, thus requiring proper measurement. Bala (2020) explained that effective corporate governance can fortify strong risk management and internal control at banks, as well as boost their financial performance.

All banks and other financial and non-financial institutions' financial performance is monitored using a combination of financial ratios analysis (ROA, ROE, and Tobin-Q), benchmarking, and occasionally assessing performance against budget, or a combination of all the proxies (Avkiran, 2000). The financial reports of Nigerian banks that are widely circulated include a variety of financial statistics that are primarily aimed to provide some indication of banking and other institutional performance.

2.2. Theoretical Framework

2.2.1 Agency Theory

Jensen and Meckling (1976) first developed the agency theory, which they characterized as a legal arrangement in which one party, the agent, has a fiduciary duty to serve as the principle's representative and make choices. Shareholders are the principals, and management is their agent, according to the agency hypothesis. According to Sanda et al., (2005), the existence of information asymmetry could influence agents to pursue interest that are adverse to those of the principal. Conflict could arise as a result of the efforts to reconcile these two viewpoints.

The agency theory has some shortcomings, say academics like Eisenhardt (1989) and Panda & Leespha (2017). The theory predicts a legally enforceable agreement between the principal and the agent for a finite or indeterminate future period, but the prize is unknown, thus there's a risk. Controls, according to defenders of the agency theory, are required to govern opportunistic managerial behavior, however empirical research have shown that controls increase individualistic behavior, diminish proactive decision making, reduce confidence, and ultimately lead to a loss of confidence (Ahmed, 2017). As a result of agency theory, both the principal and the agent are driven by self-interest. Despite the fact that both parties are motivated by self-interest, agents are more likely to pursue self-interested goals that are at odds with the principal's. Losses for shareholders are frequently the result, and this is reflected in the financial results or share price.

Shareholders entrust the directors with the responsibility of overseeing the company's management and carrying out its contractual obligations. The board of directors is in charge of making sure that the financial statements are prepared in line with the laws that are relevant, provide a truthful and fair picture of the financial situation, and assist users in making appropriate decisions (Salah, 2010). According to a number of scholars who have studied the impact of the board of directors on profitability, there is need for an efficient monitoring structure should be built in order to keep the actions of directors and senior management in check, thereby improving firm performance. (Gallego, et al., 2010).

As a result of the preceding, agency theory effectively explains corporate governance and company performance, particularly in the banking industry, where the main goal of corporate governance is to safeguard the interests of shareholders who are not present but who nonetheless represent the management as principal stakeholders. In order to understand corporate governance and financial performance of Nigeria's publicly traded deposit money institutions, this study uses agency theory as its theoretical basis.

2.3 Empirical Review

2.3.1 Impact of Corporate Governance on the Financial Performance of Listed Deposit Money Banks in Nigeria.

Several industry-specific codes of corporate governance have been introduced by the competent regulators in the telecommunications, financial services, pensions, and insurance industries prior to the release of the 2018 Nigerian Code of Corporate Governance. The Code of Corporate Governance for Nigerian Public Companies was also released by the Securities and Exchange

Commission in 2011. But none of these older codes had an extensive application spanning all industries and corporate organizations. The 2018 Code intends to fill this hole by establishing high corporate governance requirements in all Nigerian businesses. Prior to the establishment of the Code, the Nigerian banking industry was faced with the following challenges;

- The management and board's technical incapacity.
- Directors fighting in the boardroom.
- The inefficiency of the board and statutory committees.
- Poor financial and operational controls, etc.
- Insider abuses.

Several flaws in corporate governance practices have been uncovered as a result of recent corporate failures around the world. The corporate scandals involving Enron, Cadbury, Xerox, and J. P. Morgan in the United States of America (USA), Transmile in Malaysia, Parmalat in Italy, and HIH Insurance in Australia in the United States of America (USA), have raised serious concerns about corporate governance mechanisms and financial performance around the world. Nigerian businesses are not immune to comparable business scandals. According to Bala (2014), the majority of corporate governance issues in Nigeria are caused by an ineffective mix of corporate governance qualities, which results in the failure of companies' otherwise great financial performance.

There is a large absence of good corporate governance in most financial institutions in Nigeria, this event has led to the collapse of banks such as Savannah Bank Plc, AfriBank, Bank PH, and Intercontinental Bank (Momoh and Ukpong, 2013). The Central Bank of Nigeria (CBN) in Nigeria withdrew the licenses of All States Trust Bank Plc, Lead Bank Plc, Assurance Bank Nigeria Limited, Trade Bank Plc, Metropolitan Bank Limited, City Express Bank Limited, Hallmark Bank Plc, Societe Generale Bank of Nigeria Plc, African Express Bank Plc, Gulf Bank of Nigeria Plc, among others in 2006 due to their ethical failures. Effective and sound corporate governance can fortify strong risk management, internal control at banks and along these lines adding to financial performance.

Stronger corporate governance procedures and shareholder responsibility are promoted under the 2018 Nigerian Code of Corporate Governance. Companies must conduct an initial assessment of their current governance practices in accordance with the principles outlined in the Code in order to comply with the recommendations made in the Code. They must then put in place the necessary procedures and practices to fill in any gaps that are discovered. The Code made few recommendations to the structures and composition of an organization, some of which is listed below:

- The Code further suggests that the board should consist primarily of non-executive directors, with a suitable balance of executive (EDs), non-executive (NEDs), and independent non-executive members (INEDS).
- The Code outlines the duties of the board chairman in directing efficient board operations and serving as the company's overall leader. It also suggests that the chairman refrain from participating in the day-to-day management of the business.
- In accordance with the Code, the board must approve the company secretary's appointment, performance review, and termination.
- The Code suggests creating committees in charge of nomination, governance, compensation, risk management, and audit.
- The Code mandates that the board appoint a committee to oversee risk management-related issues inside the firm. This group will be in charge of, among other things, annually examining the organization's IT governance framework.

The evolution of corporate governance Code in Nigeria, has helped to minimize corporate scandals among organizations. These codes have a significant impact on how corporate organizations operate in the nation and guarantee that criteria for generating value for stakeholders, shareholders, and the general public are encouraged, including openness, accountability, probity, integrity, and fairness.

In this paper, we will discuss how variables such as board size, independent directors, board meeting and audit committee size, impacts the financial performance of listed deposit money banks in Nigeria.

2.3.1.1 Independent Directors and financial performance

An Independent director is regarded as a non-executive director with integrity, excellent morals, independence of thought and has the capacity to align the interests of equity investors and other stakeholders in a company (Ponmu, 2008). This group of directors is tasked with improving the financial report's transparency. An independent director can have a significant impact on a company's financial performance. According to research, independent directors are responsible to shareholders, they devote their time to board activities, to demonstrate the spirit of independence and balance of power between management and the board. Nigerian regulators like the Securities and Exchange Commission (SEC) argue that independent directors are in a better position to fulfill crucial better choice functions and thereby lessen agency conflicts between management and shareholders.

2.3.1.2 Board size and financial performance

Both executive and non-executive directors are required on the board (EDs & NEDs). The ideal board size, according to Gambo et al. (2018), is between 7 and 9 directors. They reasoned that smaller boards may improve a company's performance since the benefits of greater monitoring outweigh the inefficient communication and decision-making of larger boards The effect of corporate governance on the performance of the Nigerian banking sector was investigated by Ajola *et al.,* (2012), who used Pearson Correlation and Regression to examine the relationship between corporate governance characteristics and bank performance. It was discovered from their research that a negative but substantial link between board size and the financial success of the banks studied over a five-year period.

The ownership structure of corporate governance systems has a negative and minor link with share price, according to a study by Uwuigbe (2013) for fifteen (15) enterprises in the manufacturing and banking sectors that are listed on the Nigerian Stock Exchange. According to this study's findings, having more stockholders on the board has a detrimental impact on the share price. On the other hand, it was discovered that the share price and corporate governance practices such as audit committee independence had a positive and significant correlation. This suggests that the audit committee's share price is better correlated with the proportion of shareholders to directors that is higher. Numerous academic studies have shown that there is a link between firm’s values and smaller boards, as it highlights that larger boards are less effective and efficient. The cost-benefit of larger sized boards is also a key factor.

2.3.1.3 Audit committee size and financial performance

The board of directors has key committees that supervise particular aspects of the organization. The audit committee is one of these committees, and it has the primary responsibility of oversight. According to Nigeria's corporate governance rules, this committee should have six members, three of which should be EDs and the remaining three NEDs (Loveday, 2017). The corporate governance law further states that the committee is in charge of ensuring that the financial statements are prepared in line with the applicable accounting standard, which in Nigeria is the International Financial Reporting Standard (IFRS).

Furthermore, they serve as a point of contact between the organization and external auditors, ensuring that all external audit-related actions and processes are completed on time. Because management may not always act in the best interests of the corporation's owners, the audit committee's operations protect the interests of shareholders. According to research supporting the formation of larger audit committees, when more individuals are involved in analyzing management's activities, wrongdoings are reduced and performance increases. Kyereboah (2007) believes that audit committee size and business performance are linked. As a result of the foregoing, opinions on the relationship between the size of an audit committee and the success of a company are varied.

2.3.1.3 Board Meeting and financial performance

Board meetings are necessary for deliberating and dealing with critical issues relating to previous experiences, current obstacles, and future challenges related to the organization's effectiveness (Sabo, 2018). The board should meet at least four times during the financial year, according to the Nigerian Code of Corporate Governance (2011). The results of this exercise are used to ensure that business operations are efficient and that shareholders' wealth is maximized.

Board meetings are an important instrument for efficiently harmonizing ideas in order to achieve a company's overall goals. It also acts as a forum for critical issues to be discussed with the goal of making efficient, productive, and cost-effective decisions for the organization's success and growth. According to certain scientific studies, more meetings mean more opportunity for the boards to evaluate diverse decisions and make final conclusions more rapidly. Hsu *et al.,* (2010) stated that board effectiveness depends on the frequency with which it meets, as this might improve the firm's performance by giving the board more opportunities to monitor and analyze management's performance.

2.3.2 The Performance of Financial Companies in Nigeria that do not adopt the Corporate Governance Practice.

Companies registered in Nigeria range in size and organizational structure from subsidiaries of huge multinational corporations that access global financial markets and trade their securities on the Nigerian Stock Exchange to small local firms with only one or two owners. Because the actions of these businesses have a significant impact on the Nigerian economy, there are regulations in place to guarantee that they function in the best interests of all stakeholders. The Federal Government plays a vital role in corporate governance in Nigeria by promulgating numerous laws impacting the administration and control of economic operations.

When assessing the effect of corporate governance on the financial performance of firms in Nigeria, it is crucial to look at the response or behavior of crucial performance indicators like return on equity, dividend yield, net profit margin, and sales growth in light of the effects of various corporate governance provisions that currently govern the business world. The importance of the relationship between business performance and corporate governance provisions is determined by the level of compliance with the prescribed standards.

Poor corporate governance has been cited as a major cause in practically every documented case of a financial institution's trouble in Nigeria's financial sector. Because of the rising costs of non-compliance, investors are placing a greater emphasis on ethics and corporate governance performance. Prospective foreign investors need to feel confident that the corporate governance frameworks in place are effective before they decide to invest in Nigeria. One of the effects of a company's lack of corporate governance is poor monitoring and weak control systems, which have a negative impact on the performance and value of the company. Another effect is poor decision-making, which results in failures in performance evaluation, as well as challenges with future forecasting and cash flow planning. Erkens, Hung, and Matos (2010) conducted a study using an international sample of 196 financial firms from 30 countries found that firms with more autonomous boards and larger institutional ownership had inferior stock returns during a crisis. They also discovered that during times of crisis, businesses with more autonomous boards raised more equity capital, which resulted in a significant transfer of wealth from existing owners to debt holders. Poor corporate governance has led to huge failures at companies like Cadbury, Enron, and Xerox, just to mention a few.

Cadbury (Nigeria) Plc's accounting scandal, came to the fore in 2006. Nigeria has been labeled the Enron of Africa as a result of this controversy. The Cadbury scandal cost Nigerian investors billions of dollars, as the company's share price fell from 65.52 naira in December 2005 to 8.65 naira in October 2009. Cadbury Nigeria PLC's board of directors informed its stockholders and regulatory organizations in October 2006 that "Overstatements" had been discovered in her accounting over a long period of time. As a result of this, Price Waterhouse Coopers was promptly engaged as an independent accounting firm to look into the "Overstatements". As a result of the false accounts, CADBURY SCHWEPPES PLC, the parent company, was forced to make a provision of 15 million pounds sterling as impairment of the goodwill held in relation of CADBURY NIGERIA as of December 31, 2006. (Solanke, 2007).

In the Cadbury case, a number of ethical questions have been highlighted. One issue is Akintola Williams Deloitte's fee dependence on Cadbury PLC for functioning as their auditors and reporting accountants, as the accounting firm's independence cannot be guaranteed. The SEC report also highlighted issues of technical competence and incompetence in leading the audit process. For example, in 2005, 7.7 billion Naira was credited to Cadbury (Nig) Plc's account without any attempt by the auditors to authenticate the company's bank balances from the banks. Given the auditor's observations of several other internal control errors, there was also a question of failing to apply professional skepticism. The auditor's unwillingness to qualify his conclusions in light of the company's failure to resolve numerous internal control infractions is another issue. Cadbury Audit was a failure due to the auditors' incompetence, lack of professional skepticism, and negligence in the audit process.

The Xerox scandal, which was first reported by James Bingham (then a respected Xerox accounting executive), involves accounting fraud conducted by a high-level inner circle. Several senior Xerox officials worked together to inflate Xerox's revenues for years by reporting early profits from leases that should only have been recognized in subsequent years of the lease. This was done in order to meet investment analysts' earnings predictions. The executives were able to profit from their sales of Xerox shares and get significant performance bonuses thanks to the stock's artificially inflated price. They initially denied the fraud and retaliated against Bingham when he insisted that the corporation stop using dubious accounting procedures. Two prior CEOs, the CFO, the comptroller, assistant comptroller, the director of accounting policy, and the company's external auditors, KPMG, were all members of the inner circle.

Before declaring bankruptcy in late 2001, Enron, which was established in 1985, was among the biggest companies in the world for power, natural gas, communications, and pulp and paper. Its annual revenues increased from around $9 billion in 1995 to more than $100 billion in 2000. The company's reported financial status was discovered to have been substantially maintained through institutionalized, systematic, and deftly designed accounting fraud at the end of 2001. Thomas (2002) claims that Enron's stock price fell from $90 per share in mid-2000 to less than $1 per share at the end of 2001, causing a loss to shareholders of almost $11 billion. After updating Enron's financial records for the previous five years, it was found that the business had lost $586 million. Enron declared bankruptcy on December 2, 2001.

The failure of management to be honest about the company's health was a fundamental factor in Enron's bankruptcy. The downfall of Enron was also attributed to conflicts of interest and a lack of independent board oversight of management. The Senior Executives of Enron thought that in order to maintain their reputations and paychecks as the most successful leaders in the nation, they had to be the greatest at everything they did. There is no proof that the CEO of Enron disclosed that he was selling stock when he assured staff that the stock would probably increase. Additionally, in contrast to typical situations, the employees would not have learned about the stock transaction for days or weeks. The CEO stock sell-off was only made known to shareholders prior to February 14, 2002 because of the bankruptcy investigation into Enron, which prevented it from becoming widely known before that date.

In the absence of corporate governance, a company's potential is harmed, and at worst, it can lead to financial troubles, including fraud. This can be seen from the above companies, as default in corporate governance principles led to their downfall. Companies with strong governance often outperform their rivals and are more likely to draw in investors who can help finance future growth. Effective corporate governance decreases managers' control rights and raises the likelihood that managers' investment decisions will maximize shareholder wealth (Shleifer and Vishny, 1997). This shows that companies that follow corporate governance standards do better than businesses that do not.

2.3.3 Corporate Governance Practice in United Kingdom (UK) Companies

There have been a number of major factors that have contributed to the increased focus on corporate governance in the United Kingdom. Following discoveries of limited boardroom control of a banking operation characterized by pervasive corruption, deception, and fraud. Global financial authorities, led by the Bank of England, shut down the Bank of Credit and Commerce International (BCCI) in July 1991. The failures of well-known businesses in both the financial and non-financial sectors, such as Polly Peck, BCCI, and later Barings, prompted a greater emphasis on asset protection regulations. Additionally, institutional investors like pension funds and insurance companies have a greater concentration of share ownership in the United Kingdom as a result of the changing share ownership patterns. Over 80% of the UK stock, for instance, is owned by institutions. International investments are becoming a more popular way for institutional investors to diversify their portfolios, and they regularly want for guarantees that their money will be secure.

A framework for the growth of corporate governance in the UK was identified by Mallin (1994). The institutional investors and their representative organizations, the Cadbury Committee's recommendations, and the London Stock Exchange as the regulatory component formed the apexes of her diagram of the corporate governance factors. In 1992, the Cadbury Report was released with the following recommendations.

- Companies should create two important board committees: remuneration, which is tasked with advising the board on director compensation, and audit, which is made up of nonexecutive directors (NEDs). In order to help ensure a formal and open process for the appointment of new directors to the board, a nomination committee is also recommended.
- There should be a minimum of three independent NEDs on the board, as well as a balance between executives and NEDs to ensure that no one person may control the board's decision-making.

- To try to prevent too much authority being vested in one person, it was suggested that the responsibilities of chair (executive responsible for running the board) and CEO (executive responsible for operating the business) be separated.

The UK corporate governance principles appear to be market-conforming in that they require management of "high quality enterprises" that do not seek to exploit information advantages to behave in a way that is compatible with their incentives.

2.3.4 Corporate Governance Practice in United States (US) Companies

Recently, the corporate governance system in the United States has come under criticism, partly as a result of failures at well-known companies like Tyco, WorldCom, Enron, and others. These failures and criticisms, in turn, have sparked legislative and regulatory change (Sarbanes-Oxley Act of 2002). While some aspects of the United States' corporate governance structure failed under the extreme pressures of the 1990s, the broader system, which includes public and government supervision, reacted fast to remedy the issues and reduced the damage. Over the last two decades, the US economy and stock market have fared admirably, both in absolute terms and in comparison to other countries. It's worth noting that since 2001, when the first corporate governance scandals in the United States surfaced, U.S. stock returns have been at least as high as European and Pacific stock returns. One explanation is that the consequences of the corporate governance crises on stock prices in the United States have been minor in comparison to other variables that have weighed on most national economies.

Based on data collected by Institutional Shareholder Service, Brown & Caylor (2009) examined 51 corporate governance characteristics for 2,327 United State businesses. According to their findings, businesses that adhere to corporate governance principles are generally more successful, valued, and pay out more dividends to shareholders. This result is in accordance with those of a cross-sectional investigation on German enterprises undertaken by Drobetz Schillhofer & Zimmermann (2009), who discovered a strong and positive association between firm valuation and governance procedures. The Sarbanes-Oxley Act (SOX) imposed a number of improvements in corporate governance for publicly traded corporations when it was passed in the summer of 2002.

The Sarbanes-Oxley Act requires adjustments to executive compensation, shareholder oversight, and, most importantly, board oversight. One provision mandates the CEO and CFO to disgorge any earnings from bonuses and stock transactions made during the 12-month period following the restatement of a financial report due to "misconduct." The Sarbanes-Oxley Act also mandates more extensive disclosure of off-balance-sheet financings and special purpose corporations, making it more difficult for companies to alter their financial statements to enhance stock prices. The Sarbanes-Oxley Act further strengthens the financial reporting responsibilities of management and the board of directors, as well as the criminal penalties for misreporting. The greater accountability and sanctions have definitely increased the amount of time that all company executives must devote to accounting concerns. That extra time is unneeded and thus costly for organizations that are already well-governed.

The Sarbanes-Oxley Act addresses some of the shortcomings in corporate governance in the United States, both directly and indirectly. Fraudulent reporting is already punishable under the law, as seen by the misreporting revealed in Enron, Tyco, and WorldCom. Furthermore, prior to the enforcement of the Sarbanes-Oxley Act, the Enron scandal brought the costs of such misreporting into sharp light. The Act has helped to restore trust in the corporate governance system in the United States. It is critical to acknowledge that no corporate governance structure is perfect. Despite its apparent weaknesses, the United States' public and political systems are part of a larger framework of corporate governance that has performed admirably.

2.3.5 Corporate Governance Comparison between Nigeria, USA and UK

Having reviewed the corporate governance system in both USA and UK, it is important to compare them to the Nigerian system. Every public company must have a certain number of independent board members, according to the country's code of corporate governance. In the UK, this number must be at least three, while in the US, it must be at least two-thirds (2/3) of the board (Bhagat &Black 2002). Through corporate legislation (the CAMA 1990), the Nigerian government has made some efforts to build an effective system of corporate governance among Nigerian businesses. These initiatives, such as the recently adopted Code of Best Practices for all Nigerian Publicly Listed Companies, are admirable.

Corporate governance has also gotten a lot of attention in Nigeria since its implications on a company's ability to survive have been recognized. In response to this acknowledgment, the Securities and Exchange Commission (SEC) established the Peterside Commission on corporate governance in listed firms, and the Bankers Committee established a subcommittee on governance practices for banks and other financial organizations. However, there is still potential for improvement, as the quality of the corporate governance framework in place is still questioned. According to the above analysis of Nigeria's corporate governance structure, some corporations get away with breaking the law because enforcement procedures are weak and inefficient. As a result, establishing a Code of Best Practices for corporate governance is not enough; compliance with company legislation must also be enforced.

According to the Report on the Observance of Standards and Codes (ROSC) Nigeria (2004), the current sanctions for noncompliance are ineffective and can even serve to legitimize it. Nigeria has a reputation for being extremely corrupt; nevertheless, in order to fulfill its goal of luring international investment into the nation, it must give this issue the urgent attention it requires. The Nigerian Code's failure to mention corruption as a problem is a notable omission, given corruption is one of the main causes of non-compliance and ineffective enforcement methods. Leadership is a fundamental issue that impacts all economies, especially African countries. It is critical for efficient corporate governance to nominate the right people to public company directorships and audit committee membership. There is still much work to be done in the area of corporate governance if Nigerian listed companies are to draw the crucial foreign investment. Nigeria's corporate governance practices are viewed as average when compared to those of other nations like the United States and the United Kingdom.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter aims at identifying and justifying the most suitable methodology and techniques, which can meet the research questions mentioned below. This section lays a foundation on which further chapters would be carried out, as a result, elements like philosophy, design, type of data, data collection methods, analysis techniques and ethical considerations are to be defined, discussed and justified.

Main Research Question: *How does corporate governance (CG) affect the financial performance delivered by the listed deposit-money banks in Nigeria?*

Sub-Questions are as follows:

- How does the size of a Board affect the financial performance showcased by the listed deposit-money banks in Nigeria?
- In which manner/way, the size of the audit committee affects the financial performance of the listed deposit-money bank in Nigeria?
- What would be the ultimate effect of board composition on the financial performance of the listed deposit-money banks in Nigeria?

3.2 Type of data to answer the research questions

In order to answer the above research questions, the most-suitable data-type is secondary quantitative. Ajayi (2019), commented that secondary data refers to that data, which has already been collected or even produced by others. Therefore, in this research, since annual reports of listed deposit-money banks recorded by the Central Bank of Nigeria have been explored, reviewed and used and the annual report of any firm is already published at the end of every Financial Year, thus the nature of collecting data in this research is secondary. According to Martins, Cunha and Serra (2018), using secondary data in research has always proven itself a valuable approach towards finding suitable data for one's needs. Therefore, using secondary data here can help this research to find the way through which Corporate Governance affects the performance of the respective data by exploring the existing and already published information or data in their Annual Report.

3.3 Research philosophy and design

Research philosophy

Research philosophy for this study has been the Positivism philosophy as the quantitative data have been analysed from the secondary databases. According to Park, Konge and Artino (2020), the main objective of a positivism philosophy is to isolate and subsequently regulate the influences of all the considered variables for certain research to investigate the variable that is planned to be observed. Aligning with the main question of the research the variables such as corporate governance, board size, audit committee, board commissions also have been isolated to perfectly indicate the impact on the observed one that is deposit money banks of Nigeria has been successfully done.

Research design

As for the design the ***quasi-experimental design*** has been chosen to execute the study of the chosen topic. Through the implication of Quasi experimental design for research, a certain researcher can efficiently link the associated dependent and the independent variables chosen for a certain study without any chances of further controlling the respective effects from the same (Seel, 2012). Therefore, in this research as the research has been done by relying on secondary resources the researcher has been able to keep the impact of the variables intact as they have been described across the chosen studies.

3.4 Research Approach

The researcher for executing this study has gone for the deductive approach as quantitative data and respective analysis is required to be done for completion of the study. According to the opinion by Burney and Saleem (2008), it has been understood that through deductive reasoning usually a researcher can aim in order to test a certain theory related to the topic while moving from a generic perspective towards a more specific one. On top of that, through the approach of deduction that generic assumption can be narrowed down in scope unless a specific and exact determination related to the topic is done. Therefore, using the deductive approach to conduct this study the researcher also has been able to test relevant theories by exploring the generic viewpoint initially and towards specific viewpoints to understand the impact of the chosen factors such as the board size, audit committee and more on the money deposit banks in Nigeria in a broader perspective.

3.5 Research Method

As the researcher has chosen to be considering the annual reports of Nigerian money deposit banks, the chosen database is therefore secondary. A secondary quantitative study in this landscape has been found to be suitable for the completion of the study. According to Wickham (2019), it has been defined that researchers through a quantitative method can identify the datasets that are suitable for the chosen study. Few advantages also have been there such as secondary quantitative kinds of studies are cost saving, researchers become able to examine the significant questions for the research due to the presence of a quite larger dataset and generation of newer hypotheses can be done as well (Wickham 2019). Therefore, through the secondary quantitative study, the researcher also has been able to answer the set questions for the study and significant answers have been achieved through the incorporation of the larger dataset from different annual reports of Nigerian banks.

3.6 Population of the study

According to Hu (2014), study population refers to the subset of the targeted population in a study from which a specific sample is selected. Population for the respective study has been 33 listed deposit-money banks in Nigeria, whose annual reports as on 31st December 2021 have been reviewed and explored. Therefore, these thirty-three listed deposit-money banks in Nigeria have been selected as the population because this large number of populations can help to showcase clearer and precise findings reflecting the effects of CG on their financial performance. For instance, with the annual reports of 33 banks in Nigeria, effects of Board Composition, its size and the size of the audit committee on their financial performance can be subjectively collected. Wickham (2019), commented that secondary data analysis or SDA investigators need to be knowledgeable about their research area for identifying datasets as a good fit for the SDA. Similarly, the investigator in this research finds annual reports of those thirty-three banks in Nigeria as the suitable datasets for answering the above questions. Exploring and reviewing those annual reports or financial reports of the population can offer a variety of responses towards the effects of CG on their financial performance. However, this population size is enough to disclose the extent up-to which CG affects their performance financially.

3.7 Research Sample

In terms of research sample, the concerned research report chose a sample size of 18 banks out of the 33 listed deposit money banks which is recorded by the CBN (Central bank of Nigeria). This research sample is beneficial for the company in order to gain the required amount of information for the concerned research topic. Moreover, the CBN is implementing an effective procedure to choose 18 deposit money banks. Hence, this research sample can be helpful for the CBN to generate a better outcome (Andrade, 2020). It can be stated that these 18 banks are prioritised by the CBN within a certain period. However, these 18 deposit money banks were chosen based on their viability and availability of the financial resources as it will be helpful in getting the required amount of information for the concerned research topic. As a result, the chosen research sample in the current research is effective in terms of generating a better outcome. It can be recognised that the chosen banks for this research study will be helpful as such banks are available to conduct required banking operations in Nigeria. Therefore, the implementation of the banking operations will be helpful for the research report to assemble essential information.

3.8 Data collection methods

The chosen data collection method for the current research is the secondary quantitative research method. In this research report, the required information is assembled from 18 banks. The required data is gathered by conducting an investigation of financial statements. This procedure is helpful for the concerned research for gathering information and deriving better results. It can be stated that implementation of the secondary quantitative method helped in getting the required amount of data of the 18 banks and generating an effective result of the research (MacInnes, 2020). Hence, the chosen data collection method is effective for the research topic to derive an expected outcome. Moreover, the preferred data gathering procedure helps in collecting information by scrutinizing the financial documents of the 18 banks which were recorded by the CBN. As a result, these financial documents are helpful for the concerned research report in terms of developing a better outcome.

The economic statements of the chosen 18 banks cover a period of 10 years (2010-2019). Hence, this is indeed beneficial in gathering essential information for the concerning research topic. On the other hand, this research is also effective in terms of increasing the understanding about the 18 banks. The implemented data gathering procedure is helpful in receiving documented facts and this gesture is helpful in gaining an in-depth understanding and understanding different factors. As a result, the chosen research method is effective for the current research report as it enables in collecting required information of the chosen 18 banks. The quantitative method is effective for this research as crucial numerical information will be gathered to deliver a desirable outcome. Gathering numerical information for the concerned research is effective as it will help to understand the scenario of 18 banks based on their documented facts. Hence, this will be helpful in executing an effective result of the research.

3.9 Research instruments and their validity and reliability

The validity of the research has been ensured by the supervisor in the prospect of accurate information collection and reliability of sources. Henceforth, in order to ensure utmost reliability of the information, only the listed money bank institutions have been identified which possess independent financial accounts and have been audited by statutory auditors. Furthermore, Companies and Allied Matters Act (CAMA) have been applied in the study to assure validity of the research. According to the Centre for the study of the economics of Africa (CSEA), CAMA is one of the most effective legislations in Nigeria for enhancing business climate (CSEA, 2021). Moreover, this act also provides a regulatory framework for a business to operate in a transformed business landscape. Due to this reason, the companies which are compiled with this act have been selected for this study so that reliability and validity of the research can be maintained.

3.10 Data Analysis method

In this study, both inferential and descriptive statistics have been used for analysing valid interpretation from the collected information. SPSS software has been used for conducting the data analysis process. According to Allua and Thompson (2009), one of the foremost aims of descriptive statistics is to summarise the data by describing the events in a sample. On the contrary, the inferential statistical technique is chiefly associated with calculation with the purpose of generalising information from the findings from a sample population of interest. The key advantage of using inferential statistical technique is it determines differences between groups to identify unique characteristics of a sample (Allua and Thompson, 2009). Therefore, in order to quantify financial performance of listed deposit money Banks in Nigeria the study has used inferential statistics.

Additionally, in order to evaluate an interpretation from the quantified estimation of financial performance of the banks, descriptive statistical methods have also been used in the study. Furthermore, as opined by May (2017), the descriptive statistics method also helps a study to describe basic characteristics of a data set. Nevertheless, the descriptive method does not allow to make presumptive conclusions regarding the population of interest which depicts high accuracy of an interpretation (May, 2017). Due to this reason, a descriptive statistics method has been used along with inferential statistics. The collected data from the financial statements of different Nigerian Banks have been measured through multicollinearity tests. A multicollinearity test is a type of statistical technique that analyses a relationship between dependent and independent variables through VIF factor in order to test the autocorrelation independence (Moore et al., 2006). One of the key objectives of multiple multicollinearity tests is to weigh the predictor value of dependent variables on the basis of known value of independent variables (Moore et al., 2006).

Due to this reason, the study has used a multicollinearity test in order to estimate financial performance of the listed money bank institutions of Nigeria. Furthermore, Econometric views 10 software has been used for performing statistical testing of the collected information in order to establish a proper linkage between variables of the study.

3.11 Justification of the statistical tools

The statistical tool used in this research was multicollinearity test analysis with the involvement of SPSS software. The multicollinearity test was carried across multiple groups of data sets of the banks across the variable, total assets. The multicollinearity test analysis was undertaken to determine the degree of relation between the variables and the extent to which the total assets of one bank is linked with another. The test of autocorrelation was also ascertained with the help of the Durbin Watson analysis which helped in producing accurate results for the purpose of the study. Apart from the multicollinearity test, descriptive statistical analysis was also conducted in addition to the test of correlation as it helped in understanding the interdependency between the variables.

3.12 Ethical Considerations

The prime ethical consideration which has been taken into account is the acknowledgement of various sources which has been taken into account. Various sources have been referenced and acknowledged in accordance with the websites from which the data were gathered. The ethical considerations taken into account also include usage of the sources for the sole purpose of the study without any form of tampering the data.

3.13 Limitations and strengths of this methodology

Limitations

Secondary quantitative study which has been used in this research, is limited to online information. It however, does not have information which has been collected directly from primary sources.

Strengths

The study made use of secondary data which has been used. The secondary data has been collected from multiple websites which contained data regarding the asset availability of Nigerian Banks.

3.14 Summary

This chapter has outlined the manner in which data has been gathered for the *18* Nigerian banks. This chapter has outlined the manner in which data has been collected and also outlined the tools which have been undertaken to conduct the research.

CHAPTER FOUR
FINDINGS AND ANALYSIS

4.1. Introduction

This chapter aims at collecting the data, presenting it as the findings and then analysing those findings in terms of effects of corporate government on the listed deposit-money banks in Nigeria. In order to analyse the collected data findings, a descriptive statistics method has been used. Descriptive statistics are used for summarizing the collected data in an organized manner by describing the relationship between variables in a sample (Kaur, Stoltzfus and Yellapu, 2018). In this context, variables are corporate government, independent variable and the financial performance, dependent variable, of the listed deposit-money banks of Nigeria. There has also been a conductance of Inferential Statistics, Multicollinearity analysis, and a test of hypothesis that has also been interpreted with respect to the area of research work and the identified research objectives that needs to be achieved. The data analysis chapter has been developed in a manner that helps with delivering the requirements of the study in a thorough and in-depth manner. A total of 18 listed Nigerian banks have been considered for conducting each analysis. **Table 1** depicts about board composition of all 18 listed Nigerian banks. From the table, it is observed that ZENITH BANK, WEMA BANK PLC and FIRST CITY MONUMENT BANK have the maximum board members, which helps in undertaking the strategic decision.

Bank	**Board composition of each of the banks**
Zenith bank	17
Fidelity bank	7
Citibank Nigeria	7
Ecobank Nigeria	2
FIRST BANK	3
First City Monument Bank	10

Guaranty Trust Bank Plc	7
United Bank for Africa Plc	10
Standard Chartered Bank Nigeria Ltd	12
Sterling Bank Plc	10
Polaris Bank Plc	8
Union bank of Nigeria Plc	8
Wema Bank Plc	13
Unity Bank Plc	9
Sun Trust Bank Nigeria Limited	9
Access Bank Plc	10
Heritage Banking Company Ltd	6
STANBIC IBTC	12

Table 1: Board of directors of the Nigerian banks

4.2. Analysis of Descriptive statistics

4.2.1. Results

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Total assets (Zenith bank)	10	1906320	6346879	4003379.40	1586034.155	.252	.687	-1.471	1.334
Total assets (Fidelity bank)	10	737894	650948474	66261196.70	205438540.205	3.162	.687	10.000	1.334
Total assets (Citibank Nigeria)	10	258912344	874931019	492330571.90	199711570.201	.829	.687	-.304	1.334
Total assets (Eco bank Nigeria)	10	10466871	24243562	20698458.90	4174095.388	-1.920	.687	3.890	1.334
Total assets (FIRST BANK)	10	2354831	6203526	4256652.40	1224437.943	-.004	.687	-.812	1.334
Total assets (First City	10	537593099	1668505795	1084404131.30	343417272.637	-.131	.687	-.011	1.334

Monument Bank)									
Total assets (Guaranty Trust Bank Plc)	**10**	**1734878**	**3351096659**	**1159750654.20**	**1387630525.595**	**.668**	**.687**	**-1.386**	**1.334**
Total assets (United Bank for Africa Plc)	**10**	**1440724**	**4136493**	**2555681.90**	**839339.451**	**.644**	**.687**	**-.050**	**1.334**
Total assets (Standard Chartered Bank Nigeria Ltd.)	**10**	**599070**	**77408597693**	**14260418112.10**	**30198740772.372**	**1.819**	**.687**	**1.686**	**1.334**
Total assets (Sterling Bank Plc)	**10**	**580226**	**504427737**	**89965392.10**	**169192671.651**	**2.041**	**.687**	**3.858**	**1.334**
Total assets (Polaris Bank Plc)	**10**	**705859.00**	**2679741.00**	**1280893.8560**	**530611.18479**	**2.314**	**.687**	**6.556**	**1.334**
Total assets (Union bank of Nigeria Plc)	**10**	**920936**	**1872231**	**1180999.00**	**284160.261**	**1.800**	**.687**	**3.618**	**1.334**
Total assets (Wema Bank Plc)	**10**	**13693769**	**715869814**	**333686633.90**	**182496349.630**	**.472**	**.687**	**2.019**	**1.334**

Total assets (Unity Bank Plc)	**10**	**156506502**	**443321012**	**330625823.00**	**88524835.904**	**-.733**	**.687**	**.088**	**1.334**
Total assets (Sun Trust Bank Nigeria Limited)	**10**	**31810111**	**59421856**	**46495209.20**	**8542189.093**	**-.327**	**.687**	**-.367**	**1.334**
Total assets (Access Bank Plc)	**10**	**726961**	**6311041282**	**2250806314.00**	**2048288655.069**	**.644**	**.687**	**.133**	**1.334**
Total assets (Heritage Banking Company Ltd)	**10**	**1345540**	**5552970**	**3171193.70**	**1636319.010**	**.109**	**.687**	**-1.540**	**1.334**
Total assets (STANBIC IBTC)	**10**	**389033**	**1876456**	**1024556.70**	**482365.059**	**.625**	**.687**	**-.542**	**1.334**
Valid N (list wise)	**10**								

Table 2: Descriptive statistics

4.2.2. Interpretation

According to Kaur, Stoltzfus and Yellapu (2018), descriptive statistics are incorporated for summarising data by following an organised manner, which leads the data to describe a relationship among different variables involved in either a population or sample. Referring Table 1 reveals that a relationship between variables of this study such as effects of Corporate

Governance and boards of Central Banks of Nigeria exists. This relationship is to be explored, described and interpreted through the descriptive statistics as shown in ***Table 2***.

According to the National Library of Medicine (2006), low standard deviation reflects an insight that data get clustered around the mean, whereas high standard deviation reflects that data are more spread out. Application of this perspective into the concerned context reveals that in the case of ZENITH BANK, low standard deviation is obtained concerning the financial data for ten years of this bank. This standard deviation (std dev) of low-value, 1586034.15, reflects a fact that corporate governance in terms of audit-committee size, board size and its composition affect the financial performance of ZENITH BANK. For instance, if the extent of effects can be taken into account, then the std dev obtained for FIDELITY BANK, 205438540.205, reflects comparatively a lower degree of effects by these variables on the bank's performance than ZENITH BANK. The audit committee can reduce the profitability of different bank-types and also harm the efficiency of conventional banks (Haddad, Ammari and Bouri, 2021). On the other hand, the std-dev of CITY BANK, Nigeria, 199711570.201, reflects comparatively lower value than FIDELITY BANK, which means data gets clustered to the mean. As a result, this bank's financial performance is also dependent on size, composition of the board and audit committee. Again, data gets spread out unevenly as compared to mean, which presents a higher standard deviation, which means variables such as performance and corporate governance have deviated from the mean-value in the case of ECOBANK, Nigeria with std-dev 4174095.388. As a result, this bank's financial performance might not get as affected by corporate governance as the performance of CITY BANK and ZENITH BANK, Nigeria. Staikouras, Staikouras and Agoraki (2007), commented that profitability of banks is negatively related to the size of Board of Directors, whereas its composition may positively affect with less significance.

Concerning the financial performance of FIRST Bank, Nigeria with std-dev, 1224437.943, it is seen that this variable in the same context shares a strong relationship with corporate governance and its different aspects such as board's size, composition and audit committee. Goel (2018), agreed on the fact that corporate governance imposes a significant impact on the banking sector of Nigeria. While considering the financial performance delivered by another listed deposit-money bank, FIRST CITY MONUMENT BANK, 343417272.637, the value of standard deviation is found to be high, which means variables get deviated from the actual mean. It may also indicate that this bank's financial performance is not as much affected by CG as other banks except FIDELITY BANK. As compared to these banks, the financial performance of Guaranty Trust Bank Plc has heavily been affected by CG and its different variables as well. The UNITED BANK FOR AFRICA PLC that has been considered in the list also showcases one of the largest deviations within its data sets. This insight reflects that financial performance delivered by this bank is not influenced by the size, composition of the Board of Members along with the audit committee. Based on the study conducted by the National Library of Medicine (2006), standard deviation helps ensure the amount of dispersion of a value from the calculated value of the mean. Thus, in terms of the value determined for the STANDARD CHARTERED BANK NIGERIA, the deviation seems to be significant with a value of 30198740772.372, from the mean which portrays contradictory overview from the research, multi-dimensional and wider scope of exploration for the researcher. On a similar note, the STERLING BANK PLC also portrays a value of 169192671.651, significant difference between the mean and standard deviation making a huge dispersion. This portrays that the bank's performance based on its assets has not been up to par (**Table 2)**.

Now, the POLARIS BANK PLC of Nigeria has somewhat of a similar situation in comparison to the banks discussed above, having a huge difference when the mean and std. deviation values are tallied. This portrays that they are mutually contradictory with high variance in the data. As per the study conducted by Walter et al. (2021), it can be stated that in case of a data set having a higher amount of standard deviation values, that clearly indicates a larger spread or variance in the data from the mean point. In this context, when looking at the next listed Nigerian Bank, the UNION BANK OF NIGERIA, it could be seen that again there is a significant deviation in the values, thus stating that the data sets are all widely spread out from the point of the mean. However, when analysing the data sets for the WEMA BANK PLC, the std. deviation value was 182496349.630, this could be noticed that there is a very low deviation between the data sets, indicating a low variance with data points close to the mean point. Furthermore, this also suggests that the assumed data points are fit to the research subject of corporate governance and the performance of Nigerian banks with the closest possibility of achieving the study objectives. In the case of the UNITY BANK PLC and SUN TRUST BANK NIGERIA LIMITED, both showcase significant difference and deviation from the point of the mean. This is mainly noticed because the databases that have been reflected within the calculation of Descriptive Statistics are all from ten years (2010 to 2019) which is a common reason for developing irregularities within the dataset, in turn resulting in significantly large deviation within the considered sets of data of the listed banks.

The mean value of ACCESS BANK PLC is 2250806314.00 and the Standard Deviation is 2048288655.069 which represents that this bank gets a significant growth of their total assets which helped the bank to survive in these years. Gambacorta and Shin (2018), suggested that the total assets play a significant role in the survival of the banks due to dependency of the capability of business on the total assets. The HERITAGE BANKING COMPANY LTD holds mean value of 3171193.70 and standard-deviation of 16363193.010. This helps to interpret that the standard-deviation is lower than the mean value which signifies that the bank successfully increases their total assets. The mean and std-deviation values of STANBIC IBTC are 1024556.70 and 482365.059 accordingly. The value of mean is lower than the standard-deviation which states that this bank somehow gets positive growth of their total assets but this is not significant.

The above representation means CG shares either a moderate relationship with the Central Banks of Nigeria or no relationship, which means the effects of CG on some of the Central Banks of Nigerian can be seen up-to that extent with which the size of board and composition need to be dependent on it. On the other hand, some banks do not need to experience huge effects of corporate governance on their board's size or composition. Hence, their dependency on CG regarding their move towards board size and composition is comparatively less than a few banks of Nigeria being dependent on CG such as FIRST BANK.

4.3. Inferential statistics

4.3.1. Results of correlation analysis

Correlation analysis is a statistical process which helps to measure the strengths of the relationship between two variables (Schober, Boer and Schwarte, 2018). This process mainly provides the linear relationship and also calculates the association. The correlation analysis has focussed on the relationship between the two banks on the growth of their total assets. The analysis presented the relation of the ***eighteen banks for ten years, from 2010 to 2019***. In the analysis, the correlation between the ZENITH BANK and FIDELITY BANK has been presented. The negative value of the correlation presented the idea that these two banks are not connected and their individual business is not affected by each other. Among these two banks the total assets of one bank increased and another decreased over the period of time. The ZENITH BANK and CITIBANK

NIGERIA are strongly connected which can be understood from the positive value of their correlation which also represent that the assets of these two banks increased due to their activities. The connection of ZENITH BANK and ECOBANK Nigeria is strong which can be understood from their correlation value which is 0.635 and due to the increment of their total assets from their businesses ***(Refer to Appendix 1)***. The ZENITH BANK and FIRST BANK have strong connections due to their increase of the total assets which can be understood from the positive value of the correlation. The correlation of the ZENITH BANK and FIRST CITY MONUMENT BANK is 0.916 which presents the idea that they have a strong connection ***(Refer to Appendix 1)***. This positive relation provides significant influence in their total assets in a positive way. The ZENITH BANK and GUARANTY TRUST BANK PLC are positively connected but the growth does not affect due to their different activities. On other hand ZENITH BANK and UNITED BANK FOR AFRICA PLC are strongly connected which provides a positive effect on the escalation of the total assets. ZENITH BANK and STANDARD CHARTERED BANK NIGERIA LTD face some effect in their total assets due to their activities which can be understood by their positive correlation value. The ZENITH BANK and STERLING BANK PLC are not connected which does not create any effect on their total assets due their activities. The ZENITH BANK and POLARIS BANK PLC holds the correlation value of 0.506 which represents the positive connection among them. This helps to understand that these two banks face an effect on their total assets due to their different businesses over the period ***(Refer to Appendix 1)***. The ZENITH BANK and UNION BANK OF NIGERIA PLC holds 0.808 correlation value which mainly represents their strong connection. This strong connection helped them to grow their total assets significantly. The connection between the ZENITH BANK and WEMA BANK PLC are positive which can be understood from the positive value of the correlation which also provides the information that their work influences the total assets positively. The correlation value of the ZENITH BANK and UNITY BANK PLC is -0.494 which represents that there is no connection between them. This information helps to understand that the businesses of these two banks do not strike any of their total assets. Among these two banks one of them faces positive and other gets negative growth in their total assets. The ZENITH BANK and SUNTRUST BANK NIGERIA LIMITED hold a positive connection over the period which can be interpreted from their correlation value which is 0.137. This value represents the information that their total assets grow in these years due the professional activities of these two banks. The correlation value of ZENITH BANK and ACCESS

BANK PLC is 0.960 which signifies their strong relation in these ten years ***(Refer to Appendix 1)***. These two banks increased their total assets in this time period from the beneficial businesses of each other. The ZENITH BANK and HERITAGE BANKING COMPANY LTD bonded with strong positive connection which can be realised from their correlation value which is 0.954 and this provides the information that these two banks face benefits in their total assets due to the different works, investments and other activities of one another. STANBIC IBTC and ZENITH BANK also have a strong positive relation which helped them to improve their total assets significantly.

4.3.2. Interpretation

Assumed from the correlation analysis ***(Refer to Appendix 1)***, it has been interpreted to compare the total assets of the 18 banks with each other in the matter of analysing and understanding their liability and the position of asset management. According to Cade et al. (2019), assets are considered the items owned by the company, especially in the banking sector that can be involved in bestowing the economic benefit. On the other hand, liabilities are considered what owe the parties, in simple liability involves taking money out and assets involve putting money in the pocket (Cade et al., 2019). Considering the correlation based on their assets between the ZENITH BANK and FIDELITY BANK, it has been analysed that the negative value between the banks refers to the increased liability and poor asset management. As per the statement of Greuning and Bratanovic (2020), it has been found that asset or liability management refers to the process consorted with managing the use of both cash flow and assets in terms of diminishing the risk of loss of the firm from not paying the liability on time. Based on that fact, it has been understood that if the asset value is positive the liability will be low and if the asset value is negative or zero, the liability will be high (Novickytė and Petraitytė, 2014). Envisaging the correlation between the ZENITH BANK and CITIBANK NIGERIA, it has been interpreted that their asset value is positive and the liability is low as well. Focusing on the positive correlation between ZENITH BANK and ECOBANK NIGERIA, it has been examined that the asset management of these two banks seems to be quite strong. In opposition, the correlation between ZENITH BANK and FIRST CITY MONUMENT BANK valued 0.916 that has been considered the asset value between each of them that denotes that both banks hold a strong asset management. Taking into consideration the asset management of ZENITH BANK and SUNTRUST BANK NIGERIA LIMITED, it has been analysed that the asset value is 0.137 that indicates that both the banks hold low asset value but hold the possibility to increase their asset value by developing their asset management. As per the opinion of Gülpınar, Pachamanova and Çanakoğlu (2016), it has been scrutinised that the concept associated with liability or asset management largely focuses on the timing of "cash flow" as company managers must be involved in planning for the payments regarding liabilities. Besides, a significant ratio executed in managing both liabilities and assets is considered the ratio of asset coverage that involves computing the assets value feasible for paying the debt of the firm (Gülpınar, Pachamanova and Çanakoğlu, 2016).

4.4. Multicollinearity analysis

4.4.1. Results

Coefficients								
Model		**Unstandardized Coefficients**		**Standardised Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	**(Constant)**	**2006.752**	**.000**		**.**	**.**		
	Total assets (Fidelity bank)	**-2.752E-10**	**.000**	**-.019**	**.**	**.**	**.177**	**5.660**
	Total assets (Guaranty Trust Bank Plc)	**3.384E-10**	**.000**	**.155**	**.**	**.**	**.192**	**5.204**

	Total assets (Standard Chartered Bank Nigeria Ltd.)	**1.121E-11**	**.000**	**.112**	**.**	**.**	**.127**	**7.870**
	Total assets (Sterling Bank Plc)	**-2.455E-9**	**.000**	**-.137**	**.**	**.**	**.299**	**3.347**
	Total assets (Polaris Bank Plc)	**-3.498E-7**	**.000**	**-.061**	**.**	**.**	**.183**	**5.458**
	Total assets (Wema Bank Plc)	**-9.160E-10**	**.000**	**-.055**	**.**	**.**	**.527**	**1.897**
	Total assets (Unity Bank Plc)	**5.188E-9**	**.000**	**.152**	**.**	**.**	**.177**	**5.649**
	Total assets (Sun Trust Bank Nigeria Limited)	**2.033E-9**	**.000**	**.006**	**.**	**.**	**.188**	**5.308**
	Total assets (STANBIC IBTC)	**6.226E-6**	**.000**	**.992**	**.**	**.**	**.157**	**6.365**
a. Dependent Variable: Years								

Table 3: Multicollinearity analysis

For interpreting the above **table 3**, it is important to address the dependent and independent variables. In this table, the dependent variable is Years. On the other hand, the independent variables are the total assets of nine Nigeria-based banks. Multicollinearity analysis has been conducted for analysing if there is any interrelationship between the independent variables or not.

Multicollinearity can be referred to as a statistical method where numerous independent variables in a model are highly correlated. As opined by Shrestha, (2020), when the multiple linear regression analysis involves numerous variables which are highly correlated not only with the dependent variable but also with each other, then multicollinearity takes place. Multicollinearity is responsible for making some of the important variables under the study to be insignificant statistically. From the study of Akinwande, Dikko and Samson, (2015), it has been known that the VIF is used for addressing the severity of multicollinearity in the regression analysis. When the VIF value is less than 10, then it can be stated that there is no interdepend ability among the variables but when the value is higher than 10, there is higher interdepend ability among the variables. VIF is responsible for measuring how much the behaviour of an independent variable is impacted or inflated by its interaction or correlation with the other independent variables. VIF enables a quick measure for the percentage of the variable which is contributing to the standard error in the regression analysis.

The VIF (variance inflation factor) for nine Nigerian banks have been presented in table 4. It has been found that the VIF value of FIDELITY BANK is 5.660, GUARANTY TRUST BANK PLC is 5.204, STANDARD CHARTERED BANK NIGERIA LTD is 7.870, STERLING BANK PLC is 3.347, POLARIS BANK PLC is 5.458, WEMA BANK PLC is 1.897, UNITY BANK PLC is 5.649, SUN TRUST BANK NIGERIA LIMITED is 5.308 and STANBIC IBTC is 6.365 ***[Refer to table 4]***.

Therefore, it is evident that there is no interdependability among the independent variables presented in the table. It also represents that the variables are completely relevant for this statistical analysis and these are highly significant for the conduction of further statistical analysis through this data set. Unstandardized coefficients are those variables that are produced by a linear regression model after its training by using the independent variables that are generally measured in their actual scales. It means that the independent variables are measured in the same units in which the data set is taken in the source in order to train the model. The unstandardized coefficient values of those same Nigerian banks have been illustrated in the table. As found from the above table, the unstandardized coefficient for FIDELITY BANK is -2.752E-10, GUARANTY TRUST BANK PLC is 3.384E-10, STANDARD CHARTERED BANK NIGERIA LTD is 1.121E-11, STERLING BANK PLC is -2.455E-9, POLARIS BANK PLC is -3.498E-7, WEMA BANK PLC is -9.160E-10, UNITY BANK PLC is 5.188E-9, SUN TRUST BANK NIGERIA LIMITED is 2.033E-9 and STANBIC IBTC is 6.226E-6.

Names of banks	**VIF value**
Total assets (Fidelity bank)	5.660
Total assets (Guaranty Trust Bank Plc)	5.204
Total assets (Standard Chartered Bank Nigeria Ltd.)	7.870
Total assets (Sterling Bank Plc)	3.347
Total assets (Polaris Bank Plc)	5.458
Total assets (Wema Bank Plc)	1.897
Total assets (Unity Bank Plc)	5.649
Total assets (Sun Trust Bank Nigeria Limited)	5.308
Total assets (STANBIC IBTC)	6.365

Table 4: VIF values of selected banks

4.4.2. Interpretation

Collinearity statistics or multicollinearity is typically associated with depicting correlation between independent variables (Johnston, Jones and Manley, 2017). It generally adheres to a standard of tolerance to identify whether there is any problematic relationship between two variables. Moreover, the collinearity statistics also possess a clear implication for size, sign and standard error of the regression coefficients which are further adhered to the collinear variables

(Johnston, Jones and Manley, 2017). Inability to identify appropriate variables may reduce the strength of coefficients which may make the results null (Johnston, Jones and Manley, 2017). For this reason, creation of standard sets of variables may showcase accurate relationships between the independent variables. It has been found that variance inflation factor (VIF) is widely used for measuring the degree of multicollinearity between independent variables in a regression model (O'brien, 2007). Additionally, VIF is also regarded as a sign of severe multicollinearity between the independent variables. According to O'brien, (2007), the value of VIF greater than 10 denotes high interdependency between the independent variables.

Considering this aspect of VIF, the study has performed a collinearity statistical test in order to measure the interdependency between independent variables of the study which are the total assets of the banks. Therefore, from the result of multicollinearity analysis, it has been found that the value of VIF is less than 10. Hence, it can be stated that there is no interdependence between the independent variables of the study. Furthermore, no interdependence between the independent variables or predictor variables may gauge the effect of independent variables on dependent variables. Therefore, it is clear that the value of VIF less than 10 makes the independent variables statistically significant for understanding its effect on the dependent variable.

As it has been found from the above table that the value of VIF is less than 10 for all of the banks, therefore, it can be stated that these aforementioned variables are highly significant as well as they are highly relevant for the context of the research work. All the VIF values which are less than 10 also indicate that they have no dependence on each other **(Table 4)**. It means that the assets of a specific bank are not dependent on the assets of another bank. It means the results which will be acquired from this research study will be highly applicable in the practical context.

4.5 Test of hypothesis

H0: There is no relation between the time period measured in terms of years and variability in total assets of the banks which illustrates their financial performance

H1: There is a relation between the time period measured in terms of years and variability in total assets of the banks which illustrates their financial performance

The multicollinearity test done above is useful for testing the hypothesis in this research on whether there is any relation in between the total time period and total asset variability of the Nigerian banks or not. With the help of this, it will be possible for analysing the financial performance of the banks effectively. According to Daoud (2017). Multicollinearity is a statistical process where two or above predictor variables in any model of regression are highly related. In case there is absence of linear relation in between the predictors, they are known as orthogonal. Multilinear can be present if the algebraic signs of all the coefficients do not follow the expectation or if the variables are found to be important and have many standard errors. From the research of Shrestha (2020), it can be stated that multicollinearity happens when the multiple linear regress process involves different variables which are significantly related with dependent variables as well as with one another. In the above test, the hypothesis will depend on the value of VIF. From the above table, it can be found that the VIF value for total assets of Fidelity bank is less than 10 ***[Refer to table 4]***. The variance inflation factor is useful for proving that the repressors are not related to one another. In case the value of VIF is less than 10, there is no collinearity or the representatives do it relate to each other. If the value becomes more than 10, then it can be stated that there is very high collinearity and it is not possible to do the regression analysis. As the VIF value of total assets for all the Nigerian banks is less than 10, then it can be stated that all the data for the variables are significant for statistical analysis. As the value of VIF is lower than 10, therefore, it can be stated that the factor is low. This means there is no interdependency in between the variables that are independent as well as in between the variables which are dependent. If it was more than, then there would be high collinear relation among the variables which needed to be adjusted in the mode structure and for the choice of independent variables.

4.6. Chapter Summary

For analysing the corporate governance and the financial performance of the Nigerian banks, the tests that have been conducted include descriptive statistics, correlation analysis and multicollinearity analysis. From the tests, it is clear that there is no interdependence in between the dependent variables as well as the independent variables. This means there is a very high relationship between the time period measured and the variability of total assets of the banks which help in evaluating the financial performance. With the help of the results, it has been able to find out the effect of corporate governance on the financial performance of the deposit money banks based in Nigeria.

CHAPTER FIVE
DISCUSSION

5.1: Issues that are common to both Literature Review and Findings/Analysis

The issue which is common to both literature and findings is low level of solvency for the banks which may induce the risk for the Nigerian banks related to inability to make repayment of debts. The chance of default is unaffected by other Corporate Governance characteristics, such as CEO duality, board size, management ownership, and degree of balanced ownership (Di Tommaso, 2021). The percentage of shares held by executive directors, non-executive directors, and outside blockholders shows that there is a negative correlation between a company's distressed situation and its ownership structure. Additionally, Ahmed et al. (2020) demonstrate that the chance of financial trouble is adversely correlated with ownership concentration, state ownership, ultimate owner, independent directors, and auditors' view. They do discover a correlation between the administrative expense ratio and the likelihood of financial hardship, though (Feng et al. 2022).

Additionally, management ownership has little influence on monetary hardship. However, Pekovic and Vogt (2020) discover a strong positive correlation between financial difficulty and the CG practices of national banks in the UAE. Presently, the POLARIS BANK PLC OF NIGERIA has generally a comparative circumstance in contrast with the banks examined above, having an immense distinction. This depicts that they are commonly problematic with high fluctuation in the information. According to the review led by Walter et al. (2021), it tends to be expressed that in the event of an informational index having a higher measure of standard deviation esteems, that obviously shows a bigger spread or change in the information from the mean point. In this specific circumstance, while taking a gander at the following recorded Nigerian Bank, the UNION BANK OF NIGERIA, it very well may be seen that again there is a huge deviation in the qualities, hence expressing that the informational collections are generally fanned out from the mark of the mean. Notwithstanding, while breaking down the informational indexes for the WEMA BANK PLC, it could be seen that there is an extremely low deviation between the informational indexes, demonstrating a low difference with information guides close toward the mean point.

5.2: Issues not common to both Literature Review and Findings/Analysis

Issues which are not common to both literature and findings may include decreased cash flow and low total assets of some banks. Therefore, this decreased cash flow and less volume of total assets may induce financial risks for the banks. However, it is important to note that for the total assets of FIDELITY BANK, GUARANTEE TRUST BANK PLC, STANDARD CHARTERED BANK NIGERIA LTD, POLARIS BANK, UNITY BANK PLC, SUN TRUST BANK NIGERIA LIMITED, and STANBIC IBTC, the VIF values are more than 5 which indicates a cause of concern ***[Refer to table 4]***. In other words, multicollinearity may exist for all those variables as the tolerance level is lower than 0.25. On the other hand, for STERLING BANK PLC, WEMA BANK PLC, the value is below 4. This means there is almost no relation within the variables in ideal conditions. As all the VIF values are low, an alternate hypothesis is expected. This means there is a relation between the total time period measured in terms of years and the total asset variability of the banks which illustrates the financial performance.

5.3: Other similar issues of significant importance

The unavailability of sufficient credits, poor liquidity and high gearing ratio are the potential issues for the banking industry which may become an important topic for further studies. The influence of Corporate Governance mechanisms on the survival of troubled enterprises is the major recommendations of another branch of financial crisis studies. Additionally, Corporate Governance practices at a high level can directly influence luring in more overseas investors. We discover no correlation between the Corporate Governance practices under investigation and Tobin's Q-measured company performance. These findings unequivocally demonstrate the necessity to build and enhance the Nigerian Corporate Governance code based on Corporate Governance best practices. The legal structure in Nigeria should also have further control over the application of such methods, and compliance with them should be required. Institutional ownership and ownership concentration don't seem to affect how well a company performs. Leverage, nevertheless, turns out to be positively correlated with company performance as a proxy for financial risk.

5.4: Future scope

The low standard deviation mirrors a knowledge that information get grouped around the mean, though elevated expectation deviation mirrors that information are more fanned out. Use of this viewpoint into the concerned setting uncovers that on account, low standard deviation is acquired concerning the monetary information for a long time of banks (Babar and Habib, 2021). This posits the scope for future study that corporate administration as far as review panel size, board size and its piece influence the monetary exhibition of Nigerian banks. For example, on the off chance that the degree of impacts can be considered and reflects nearly a lower level of impacts by these factors on the bank's exhibition. The review advisory group can decrease the productivity of various bank-types and furthermore hurt the proficiency of regular banks (Haddad, Ammari and Bouri, 2021).

This bank's monetary presentation is likewise subject to measure, piece of the board and review panel. Once more, information gets fanned out unevenly when contrasted with mean (Habib and Hasan, 2019). This presents a better quality deviation, and that implies factors, for example, execution and corporate administration have strayed from the mean-esteem on account of ECOBANK. Subsequently, this bank's monetary exhibition probably won't get as impacted by corporate administration as the presentation of CITY BANK and ZENITH BANK, Nigeria. Staikouras, Staikouras and Agoraki (2007), remarked that benefit of banks is adversely connected with the size of Board of Directors, while its creation may emphatically influence with less importance. Concerning the monetary exhibition of the banks, this variable in a similar setting imparts serious areas of strength to corporate administration. Goel (2018), settled on the way that corporate administration forces a huge effect on the financial area of Nigeria.

While considering the monetary exhibition conveyed by one more recorded store cash bank, factors get strayed from the genuine mean. It might likewise demonstrate that this bank's monetary exhibition isn't as much impacted by Corporate Governance as different banks with the exception of FIDELITY BANK. When contrasted with these banks, the monetary presentation of GUARANTY TRUST BANK PLC has vigorously been impacted by Corporate Governance and its various factors also. The banks viewed as in the rundown likewise grandstands quite possibly of the biggest deviation inside its informational indexes. This knowledge shows that monetary exhibition conveyed by this bank isn't affected by the size, organization of the Board of Members alongside the review council. On a comparative note, the STERLING BANK PLC likewise depicts tremendous distinction between the mean and standard deviation making a colossal scattering.

CHAPTER SIX
CONCLUSION AND RECOMMENDATION

6.1 Conclusion

It is concluded that the absolute resources of the 18 banks is transferred from the source of dissecting and grasping to manage resource of the board. As per Cade et al. (2019), resources are viewed as the things possessed by the organization, particularly in the financial area that can be engaged with giving the monetary advantage. Then again, liabilities are viewed as what owe the gatherings, in basic risk implies taking cash out and resources include placing cash in the pocket (Cade et al., 2019). Taking into account the connection in view of their resources between the ZENITH BANK and FIDELITY BANK, it has been broke down that the negative worth between the banks alludes to the expanded risk and unfortunate resource the board. According to the assertion of Greuning and Bratanovic (2020), it has been found that resource or responsibility the executives alludes to the cycle associated with dealing with the utilization of both income and resources regarding lessening the gamble of loss of the firm from not paying the obligation on time.

In light of that reality, it has been grasped that assuming the resource esteem is positive the risk will be low and on the off chance that the resource esteem is negative or zero, the responsibility will be high (Novickytė and Petraitytė, 2014). Conceiving the connection between the ZENITH BANK and CITIBANK NIGERIA, it has been deciphered that their resource esteem is positive and the responsibility is low also. Zeroing in on the positive connection between ZENITH BANK and ECOBANK NIGERIA, it has been analyzed that the resource the executives of these two banks is by all accounts serious areas of strength for very. In resistance, the relationship between ZENITH BANK and FIRST CITY MONUMENT BANK esteemed 0.916 that has been viewed as the resource esteem between every one of them that means that the two banks hold areas of strength for an administration. The executives of ZENITH BANK and SUNTRUST BANK NIGERIA LIMITED show that both the banks hold low resource esteem however hold the likelihood to expand their resource esteem by fostering their resource the board.

The main goal of the current study is to determine the extent of Corporate Governance activities among a sample of 18 Nigerian banks and how such practices may impact the businesses' financial performance and corporate financial distress. The results and policy suggestions below can be summed up as follows: Our key conclusion is that, overall, low levels of Corporate Governance practices were seen among Nigerian listed companies, particularly when it came to several practices relating to the composition of the board of directors. The results of this study suggest that the Nigerian Capital Market Authority should encourage all Nigerian-listed companies to make more thorough Corporate Governance investments. Such an investment is crucial to enhancing the businesses' overall competitiveness.

Since the 1980s, the relationship between financial crisis and Corporate Governance has become a hot topic in academia. Numerous studies in this area are devoted to elucidating how Corporate Governance mechanisms in healthy organizations differ from those in troubled enterprises and their influence on the likelihood of default in order to substantiate this link. According to Nasrallah and El Khoury (2022), having a domineering CEO is a weak practice of CG that is more likely to be related with corporate insolvency when it comes to the relationship between CG and financial difficulties. The nature of the capital structure of Nigerian businesses, which significantly rely on loan financing, is revealed by this finding. Significant effort should be put into refining CG practices as well as expanding legal protection for creditors' rights in order to improve the role of debt as a control tool in a developing economy like Nigeria. Additionally, it is important to investigate the relationship between debt and capital structure and financial performance under various CG features.

This suggests that attempts to apply good practices in CG should be complemented by other initiatives to increase the general relative efficiency of Nigerian enterprises, enhance their competition strategy, lessen the influence of the social elite, and tighten investor protection rules (Al-ahdal et al. 2020). On the one hand, we discover a negligible correlation between CG practices and the chance of experiencing financial trouble. On the other hand, our results show that firm-specific traits, such ownership structure and liquidity, are very important in influencing the risk of financial trouble. CG practices in Nigeria and their effects on company performance and financial hardship are generally better understood as a result of the empirical findings of the current study.

6.2 Objective linking

According to the assessment of Gülpınar, Pachamanova and Çanakoğlu (2016), it has been examined that the idea related with responsibility or resource the executives generally centers on the planning of "income" as organization directors should be engaged with making arrangements for the installments in regards to liabilities. Plus, a huge proportion executed in overseeing the two liabilities and resources is viewed as the proportion of resource inclusion that includes registering the resources esteem practical for paying the obligation of the firm (Gülpınar, Pachamanova and Çanakoğlu, 2016). The board's involvement in strategy will vary in scope, from approval on the one hand to development on the other. Each board must decide what responsibilities it should take on and communicate this to management. The objectives of this research are based on these discussions and are settled as follows:

- How does the size of a Board affect the financial performance showcased by the listed deposit-money banks in Nigeria?

This part targets gathering the information, introducing it as the discoveries and afterward dissecting those discoveries as far as impacts of corporate government on the recorded store cash banks in Nigeria. To break down the gathered information discoveries, an expressive measurements strategy has been utilized. Expressive measurements are utilized for summing up the gathered information in a coordinated way by portraying the connection between factors in an example (Kaur, Stoltzfus and Yellapu, 2018). In this specific circumstance, factors are corporate government, free factor and the monetary presentation, subordinate variable, of the recorded store cash banks of Nigeria. A key part of the board's monitoring task is making sure that the organization is compliant with the law. Monitoring organizational performance is another crucial board responsibility.

- In which manner/way, the size of the audit committee affects the financial performance of the listed deposit-money bank in Nigeria?

There has likewise been a conductance of Inferential Statistics, Multicollinearity examination, and a trial of speculation that has likewise been deciphered as for the area of exploration work and the distinguished exploration goals that should be accomplished. The information examination part has been created in a way that assists with conveying the prerequisites of the concentrate in an exhaustive and top to bottom way. The 18 Nigerian banks have been considered for leading every investigation. This depicts that the bank's presentation in light of its resources has not been acceptable. It makes ensuring that corporate decisions are in line with the organization's strategy and the expectations of the owners. The simplest way to achieve this is to identify the organization's core performance drivers and set up suitable metrics for success.

- What would be the ultimate effect of board composition on the financial performance of the listed deposit-money banks in Nigeria?

As per Kaur, Stoltzfus and Yellapu (2018), enlightening measurements are consolidated for summing up information by following a coordinated way, which drives the information to depict a relationship among various factors engaged with either a populace or test. Alluding Table 1 uncovers that a connection between factors of this concentrate, for example, impacts of CG or Corporate Governance and sheets of Central Banks of Nigeria exists. This relationship is to be investigated, portrayed and deciphered through the expressive measurements. To make sure that everything that has to be reported is really reported, the board of directors should decide on a structure for the reports they oversee.

6.3 Recommendations

Boards must strike a balance between conformity (i.e., adhering to laws, regulations, and standards of conduct) and performance components of their work (i.e. improving the performance of the organization through strategy formulation and policy making). A board must clarify its stance and its knowledge of the key tasks it performs in contrast to those carried out by management as part of this process. The details will change depending on the board. Maintaining a positive connection between the board and management is greatly aided by understanding the function of the board and who is responsible for what in terms of governance. Today, it is widely acknowledged that the board has a key role to play in developing and approving the organization's strategic direction.

The board's involvement in strategy will vary in scope, from approval on the one hand to development on the other. Each board must decide what responsibilities it should take on and communicate this to management. A key part of the board's monitoring task is making sure that the organization is compliant with the law. It makes ensuring that corporate decisions are in line with the organization's strategy and the expectations of the owners. The simplest way to achieve this is to identify the organization's core performance drivers and set up suitable metrics for success.

Their complete remuneration, as well as the remuneration of the Chairman and the highest-paid Directors, should be fully and clearly disclosed. This includes stock options and pension contributions. Salary and performance-related components should be broken out into separate amounts, and performance measurement methodology should be described. Similar to Grofčíková (2020), the finding that CG's unethical practices—measured by CEO duality and decreased director independence—are positively correlated with the chance of bankruptcy. Ajili and Bouri (2018) add to the body of knowledge by demonstrating that enterprises with inadequate CG raise the probability of wealth expropriation, which lowers company value. As a result, the likelihood of default is very likely.

The percentage of shares held by executive directors, non-executive directors, and outside blockholders shows that there is a negative correlation between a company's distressed situation and its ownership structure. The chance of financial trouble is adversely correlated with ownership concentration, state ownership, ultimate owner, independent directors, and auditors' view. They do discover a correlation between the administrative expense ratio and the likelihood of financial hardship, though (Feng et al. 2022). Additionally, management ownership has little influence on monetary hardship.

Concerning the effect of CG practices on the survival of troubled organisations, Hakimah et al. (2019), looking at 176 financially challenged enterprises in the USA, finds a weak significant correlation between the chance of company survival and the replacement of the CEO with an outsider. However, a sizable percentage of insider and block holder ownership has a favorable impact on the chances of business longevity. Similar to this, Fiandrino et al. (2018) examine the connection between CG failures and financial hardship using eight distressed financial firms. The outcomes show that a power imbalance on the board is caused by a lack of board independence. Such disparities between executive and non-executive board members destroy the efficacy of the board.

6.4 Limitations of the study

There are certain restrictions on the current investigation. First, there is a limited sample size (i.e. 18 banks). Second, the research period is brief (i.e. less than 2 years). Thirdly, this study has not taken into account market-based financial performance metrics. Last but not least, the study did not take into account control factors such as industry type, age of the business, growth of the firm, capital intensity, leverage, risk, and so on. The study's limitations should be taken into consideration when interpreting the findings, and future researchers should work to get around them while doing more research in this field. Wright and Siegel (2021) discover a relationship between corporate governance and financial performance, and that a company's governance score significantly improves its financial results.

Companies should work to increase their performance in accordance with the following good governance metrics: leadership ethics, board composition and independence, executive compensation, transparency and reporting, stakeholder engagement, and compliance with the law in its entirety. Businesses need to realize that enhancing governance and sustainability performance is just as crucial as enhancing financial performance (Ajili and Bouri, 2018). Due to several high-profile corporate scandals and failures over the past 10 years, including those involving unethical business practices at Enron, WorldCom, Satyam, etc., corporate governance has drawn more attention. Corporate governance and value generation are frequently stated to go hand in hand. A company won't be successful until it accepts and practices ethical behaviour (Sugiyanto, Febrianti and Suripto, 2020). The results of several studies looking at the connection between corporate governance and financial success have been conflicting and ambiguous. In this essay, we looked at and analyzed how corporate governance affects a company's financial performance in the context of Nigeria.

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Appendices

Appendix 1: Correlation table

Correlations																			
		Total assets (Zenith bank)	Total assets (Fidelity bank)	Total assets (Citybank Nigeria)	Total assets (Ecobank Nigeria)	Total assets (FIRST BANK)	Total assets (First City Monument Bank)	Total assets (Guaranty Trust Bank Plc)	Total assets (United Bank for Africa Plc)	Total assets (Standard Chartered Bank Nigeria Ltd.)	Total assets (Sterling Bank Plc)	Total assets (Polaris Bank Plc)	Total assets (Union bank of Nigeria Plc)	Total assets (Wema Bank Plc)	Total assets (Unity Bank Plc)	Total assets (Sun Trust Bank Nigeria Limited)	Total assets (Access Bank Plc)	Total assets (Heritage Banking Company Ltd)	Total assets (STANBIC IBTC)
Total assets (Zenith bank)	Pearson Correlation	1	-0.463	.955**	.635*	.978**	.916**	0.144	.915**	0.397	-0.534	0.506	.808**	0.366	-0.494	0.137	.960**	.954**	.976**
	Sig. (2-tailed)		0.178	0.000	0.049	0.000	0.000	0.691	0.000	0.256	0.112	0.136	0.005	0.299	0.147	0.705	0.000	0.000	0.000
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

Total assets (Fidelity bank)	**Pearson Correlation**	**-0.463**	**1**	**-0.409**	**-.861****	**-0.544**	**-0.558**	**-0.024**	**-0.465**	**-0.166**	**0.351**	**-0.381**	**-0.225**	**-0.224**	**-0.084**	**0.532**	**-0.384**	**-0.386**	**-0.461**
	Sig. (2-tailed)	**0.178**		**0.241**	**0.001**	**0.104**	**0.094**	**0.948**	**0.176**	**0.647**	**0.319**	**0.278**	**0.532**	**0.534**	**0.817**	**0.113**	**0.273**	**0.271**	**0.180**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Citybank Nigeria)	**Pearson Correlation**	**.955****	**-0.409**	**1**	**0.518**	**.935****	**.879****	**0.040**	**.909****	**0.282**	**-0.358**	**0.303**	**.911****	**0.411**	**-0.451**	**0.222**	**.956****	**.925****	**.964****
	Sig. (2-tailed)	**0.000**	**0.241**		**0.125**	**0.000**	**0.001**	**0.**	**0.000**	**0.431**	**0.310**	**0.395**	**0.000**	**0.238**	**0.191**	**0.538**	**0.000**	**0.000**	**0.000**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Ec	**Pearson Cor**	**.635***	**-.861****	**0.518**	**1**	**.744***	**.800****	**-0.074**	**.661***	**0.107**	**-.700***	**0.475**	**0.296**	**0.383**	**0.070**	**-0.486**	**0.610**	**0.622**	**.646***

obank Nigeria)	relation																		
	Sig. (2-tailed)	0.049	0.001	0.125		0.014	0.005	0.839	0.037	0.768	0.024	0.165	0.407	0.274	0.847	0.154	0.061	0.055	0.044
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (FIRST BANK)	Pearson Correlation	.978**	-0.544	.935**	.744*	1	.967**	0.026	.944**	0.322	-0.607	0.484	.778**	0.442	-0.384	0.038	.963**	.949**	.976**
	Sig. (2-tailed)	0.000	0.104	0.000	0.014		0.000	0.942	0.000	0.364	0.063	0.156	0.008	0.201	0.274	0.917	0.000	0.000	0.000
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (First City Monu	Pearson Correlation	.916**	-0.558	.879**	.800**	.967**	1	-0.119	.928**	0.146	-.713*	0.352	.721*	0.475	-0.236	-0.092	.932**	.919**	.940**

ment Bank)																			
	Sig. (2-tailed)	**0.000**	**0.094**	**0.001**	**0.005**	**0.000**		**0.744**	**0.000**	**0.687**	**0.021**	**0.319**	**0.019**	**0.165**	**0.512**	**0.800**	**0.000**	**0.000**	**0.000**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Guaranty Trust Bank Plc)	**Pearson Correlation**	**0.144**	**-0.024**	**0.040**	**-0.074**	**0.026**	**-0.119**	**1**	**-0.208**	**.788****	**0.195**	**0.528**	**-0.025**	**0.144**	**-0.112**	**0.350**	**0.055**	**0.094**	**-0.051**
	Sig. (2-tailed)	**0.691**	**0.948**	**0.912**	**0.839**	**0.942**	**0.744**		**0.563**	**0.007**	**0.590**	**0.116**	**0.946**	**0.691**	**0.759**	**0.321**	**0.880**	**0.797**	**0.889**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (United Bank	**Pearson Correlation**	**.915****	**-0.465**	**.909****	**.661***	**.944****	**.928****	**-0.208**	**1**	**0.123**	**-0.577**	**0.304**	**.826****	**0.394**	**-0.395**	**0.101**	**.936****	**.853****	**.955****

for Africa Plc)																			
	Sig. (2-tailed)	0.000	0.176	0.000	0.037	0.000	0.000	0.563		0.735	0.081	0.392	0.003	0.260	0.258	0.782	0.000	0.002	0.000
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (Standard Chartered Bank Nigeria Ltd.)	Pearson Correlation	0.397	-0.166	0.282	0.107	0.322	0.146	.788**	0.123	1	-0.094	.731*	0.215	0.204	-0.448	0.315	0.272	0.268	0.228
	Sig. (2-tailed)	0.256	0.647	0.431	0.768	0.364	0.687	0.007	0.735		0.797	0.016	0.551	0.572	0.194	0.376	0.446	0.455	0.526
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets	Pearson Cor	-0.534	0.351	-0.358	-.700*	-0.607	-.713*	0.195	-0.577	-0.094	1	-0.411	-0.219	-0.269	0.168	0.373	-0.514	-0.514	-0.540

(Sterling Bank Plc)	relation																		
	Sig. (2-tailed)	0.112	0.319	0.310	0.024	0.063	0.021	0.590	0.081	0.797		0.238	0.544	0.453	0.643	0.289	0.128	0.128	0.107
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (Polaris Bank Plc)	Pearson Correlation	0.506	-0.381	0.303	0.475	0.484	0.352	0.528	0.304	.731*	-0.411	1	0.199	0.224	-0.530	-0.117	0.370	0.398	0.416
	Sig. (2-tailed)	0.136	0.278	0.395	0.165	0.156	0.319	0.116	0.392	0.016	0.238		0.581	0.534	0.115	0.748	0.293	0.255	0.231
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (Union bank of	Pearson Correlation	.808**	-0.225	.911**	0.296	.778**	.721*	-0.025	.826**	0.215	-0.219	0.199	1	0.548	-0.511	0.365	.866**	.729*	.844**

Nigeria Plc)																			
	Sig. (2-tailed)	**0.005**	**0.532**	**0.000**	**0.407**	**0.008**	**0.019**	**0.946**	**0.003**	**0.551**	**0.544**	**0.581**		**0.101**	**0.131**	**0.299**	**0.001**	**0.017**	**0.002**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Wema Bank Plc)	**Pearson Correlation**	**0.366**	**-0.224**	**0.411**	**0.383**	**0.442**	**0.475**	**0.144**	**0.394**	**0.204**	**-0.269**	**0.224**	**0.548**	**1**	**0.144**	**0.215**	**0.548**	**0.357**	**0.368**
	Sig. (2-tailed)	**0.299**	**0.534**	**0.238**	**0.274**	**0.201**	**0.165**	**0.691**	**0.260**	**0.572**	**0.453**	**0.534**	**0.101**		**0.691**	**0.550**	**0.101**	**0.311**	**0.295**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Unity Bank Plc)	**Pearson Correlation**	**-0.494**	**-0.084**	**-0.451**	**0.070**	**-0.384**	**-0.236**	**-0.112**	**-0.395**	**-0.448**	**0.168**	**-0.530**	**-0.511**	**0.144**	**1**	**-0.162**	**-0.350**	**-0.348**	**-0.489**

	Sig. (2-tailed)	**0.147**	**0.817**	**0.191**	**0.847**	**0.274**	**0.512**	**0.759**	**0.258**	**0.194**	**0.643**	**0.115**	**0.131**	**0.691**		**0.654**	**0.322**	**0.325**	**0.151**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Sun Trust Bank Nigeria Limited)	**Pearson Correlation**	**0.137**	**0.532**	**0.222**	**-0.486**	**0.038**	**-0.092**	**0.350**	**0.101**	**0.315**	**0.373**	**-0.117**	**0.365**	**0.215**	**-0.162**	**1**	**0.239**	**0.094**	**0.057**
	Sig. (2-tailed)	**0.705**	**0.113**	**0.538**	**0.154**	**0.917**	**0.800**	**0.321**	**0.782**	**0.376**	**0.289**	**0.748**	**0.299**	**0.550**	**0.654**		**0.506**	**0.796**	**0.875**
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total assets (Access Bank Plc)	**Pearson Correlation**	**.960****	**-0.384**	**.956****	**0.610**	**.963****	**.932****	**0.055**	**.936****	**0.272**	**-0.514**	**0.370**	**.866****	**0.548**	**-0.350**	**0.239**	**1**	**.941****	**.959****

	Sig. (2-tailed)	0.000	0.273	0.000	0.061	0.000	0.000	0.880	0.000	0.446	0.128	0.293	0.001	0.101	0.322	0.506		0.000	0.000
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (Heritage Banking Company Ltd)	Pearson Correlation	.954**	-0.386	.925**	0.622	.949**	.919**	0.094	.853**	0.268	-0.514	0.398	.729*	0.357	-0.348	0.094	.941**	1	.946**
	Sig. (2-tailed)	0.000	0.271	0.000	0.055	0.000	0.000	0.797	0.002	0.455	0.128	0.255	0.017	0.311	0.325	0.796	0.000		0.000
	N	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total assets (STANBIC IBTC)	Pearson Correlation	.976**	-0.461	.964**	.646*	.976**	.940**	-0.051	.955**	0.228	-0.540	0.416	.844**	0.368	-0.489	0.057	.959**	.946**	1

	Sig. (2-tailed)	**0.000**	**0.180**	**0.000**	**0.044**	**0.000**	**0.000**	**0.889**	**0.000**	**0.526**	**0.107**	**0.231**	**0.002**	**0.295**	**0.151**	**0.875**	**0.000**	**0.000**	
	N	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
****. Correlation is significant at the 0.01 level (2-tailed).**																			
***. Correlation is significant at the 0.05 level (2-tailed).**																			