APEX ACADEMIA PRESS
ELEGANCE ON EVERY RESEARCH

International Journal of Global Humanities and Management Insights
ISSN: 3070-6916 / Open Access / IJGHMI_Y2F2A007
Apex Academia Press / https://doi.org/10.63665/ijghmi-y2f2a007

Original Article

Governance Structures and Performance of Deposit Money Banks: A Nigerian Perspective

***Idayat Titilayo Alayande*[1], *Stephen Alaba John, PhD.*[2]**

Department of Banking and Finance, Osun State University, Osogbo, Nigeria.
Department of Banking and Finance, University of Ibadan, Nigeria.

Abstract

The stability and profitability of banks are critical to the overall health of the financial system. However, corporate governance challenges, including ineffective board structures and weak oversight mechanisms, continue to undermine the bank performance in Nigeria. This study investigates the effect of corporate governance on financial performance of quoted banks in Nigeria between 2010 and 2021. It uses secondary data from the annual reports of ten banks on the Nigerian Exchange Group (NGX) and adopts an ex-post-facto research design. Panel least squares regression was employed as estimating techniques. The results show that board size and audit committee have positive but statistically insignificant effects on ROA, while board composition exhibits a negative and insignificant effect. The study concludes that corporate governance structures, as currently implemented, have limited influence on the performance of listed DMBs in Nigeria. therefore, this study recommends that regulatory authorities and bank management should ensure that corporate governance codes are not only adhered to inform but also implemented in practice, with clear accountability mechanisms.

Keywords

Corporate Governance, Audit Committees, Board Composition, Board Size, Performance, DMBs.

Article History

Received:
02.06.2026

Accepted:
12.06.2026

Published:
20.06.2026

1. Introduction

The banking sector plays a vital role in supporting economic growth and development through its financial intermediation functions, which help improve the business environment (Emeka & Alem, 2016; Ghalib, 2018). Globally, there is increasing attention on the importance of corporate governance and ethics, leading many countries to introduce codes and guidelines to strengthen governance in the financial sector, corporations, and the wider economy (Nigeria Code of Corporate Governance, 2018). Corporate governance ensures that managers and institutions follow established rules and best practices when carrying out their responsibilities (Ibitamuno et al., 2018; Oluwole, 2021). Nigeria's financial sector is active but faces serious challenges, including persistent governance and ethical issues, capacity weaknesses, and poor compliance with laws, factors that hinder economic and financial progress. According to Okoye et al. (2020), weak corporate governance has damaged many organizations and contributed to the collapse of both private and public institutions across different sectors, harming overall economic performance. The global financial crisis of 2007–2009 and the decline in the value of Nigerian bank investments were largely due to poor credit management linked to weak corporate governance and unethical banking practices (Ibitamuno et al., 2018; Joshua et al., 2019; Okoye et al., 2020; Okonkwo & Azolibe, 2020; Oluwole, 2021; Eriki & Eburajolo, 2021; Okunola & Obera, 2022; Egiyi, 2022).

Given repeated issues affecting bank compliance with consolidation policies and past misconduct within the sector, strengthening banking ethics and enforcing corporate governance have become crucial. Governance failures, instability, and weak adherence to lending rules continue to affect Nigeria's financial system and economic growth (Oluwole, 2021). The global financial crisis, along with the erosion of bank investments in Nigeria, was partly the result of non-compliance with proper credit management practices, a problem rooted in poor corporate governance and weak banking ethics (Ibitamuno et al., 2018). Even though many banks claim to follow corporate governance guidelines, they still struggle with ethical issues that weaken their performance. The crisis in Nigerian banks has been linked to unethical conduct, including governance failures and malpractice by top management, which became widespread after bank consolidation. Governance breakdowns often occurred because board members neglected their responsibilities, approved unsecured loans for themselves, and failed to enforce sound governance (Ibitamuno et al., 2018; Oluwole, 2021). Boards have also been criticized for the loss of shareholder value and corporate failures, similar to scandals in major global firms such as Enron, WorldCom, and Global Crossing (Ibitamuno et al., 2018).

Persistent weaknesses in corporate governance, such as oversized or poorly structured boards, weak internal controls, firm-level issues, and fraud, remain major concerns in Nigeria's banking sector. Poor monitoring and supervision to ensure compliance with governance codes also contributed to the banking crisis. This study contributes to the literature in four ways. First, it employs a panel data approach covering twelve years (2010–2021) and ten listed DMBs, to allow for a more robust assessment of how governance structures affect bank performance. Second, it gives a broad understanding of how governance relates to performance by looking at different governance factors such as audit committees, board size, and board composition. Third, it fixes earlier methodological weaknesses by carrying out diagnostic tests after the main analysis to ensure the results are reliable. Finally, the findings provide evidence that can guide policymakers, bank managers and regulators on how to use governance practices to improve the performance of banks in Nigeria

Therefore, this study examines banking ethics, corporate governance, and bank performance in Nigeria from 2010 to 2023. The specific objectives are to: (i) investigate the effect of board size on DMBs performance; (ii) determine the impact of board composition on DMBs performance in Nigeria; and (iii) assess the extent to which audit committee impacts DMBs performance.

2. Literature Review

A. Ethical Corporate Governance

Ethical Corporate Governance refers to a system in which a company is directed and controlled based on strong ethical values and sound governance principles. It means that board members, managers, and employees act with honesty, fairness, accountability, and transparency while making decisions that guide the firm (Makinde et al, 2021). This concept combines the structural rules of corporate governance, such as board composition, control mechanisms, and decision-making processes, with ethical standards that promote integrity, responsible conduct, and respect for stakeholders (Joshua et al., 2019; Merli et al., 2018). In Ethical Corporate Governance, ethics becomes the foundation of governance practice. It ensures that leaders do not only follow formal rules but also make morally responsible decisions that protect shareholders, employees, customers, regulators, and society. This concept emphasizes that good governance cannot exist without ethical behaviour, and ethical conduct becomes more effective when supported by strong governance frameworks (Ibitamuno et al., 2018; Agbaeze & Ogbosi, 2018).

(a) Board Size

Board size refers to the number of people on a company's board who help manage and oversee the firm (Aktas et al., 2018). Most boards have between seven and fifteen members, depending on the company's size and policies. According to Chan et al. (2018), and the Nigerian SEC Code of Corporate Governance (2003 & 2011), a board is made up of both executive and non-executive directors, and it performs two main roles: advising and monitoring. Many studies have examined how board size affects corporate governance, but the findings are mixed. Agency theory suggests that large boards may not be good for governance. This is because large boards cost more to maintain, due to higher salaries and bonuses, and they may be harder to coordinate, making it easier for the CEO to dominate decision-making (Jensen, 1993). Smaller boards, on the other hand, tend to have more effective and productive discussions because every member can easily contribute. Literature shows that smaller boards make decisions faster and are more decisive, especially during poor performance when tough actions like layoffs may be required.

(b) Board Composition

Board composition means having both executive and non-executive directors on the board. The Companies and Allied Matters Act (1990) recommends that boards consist of 5 to 15 members, headed by a chairman, and must not be dominated by any individual. The Chairman and CEO roles should be separated to prevent too much power being held by one individual. Where combined, a strong and independent non-executive director should serve as vice-chairman (Oluwole, 2021). Effective boards require members who are knowledgeable, independent, and of high integrity. A committee made up only of non-executive directors should decide how executives are paid. While studies on board composition and firm performance show mixed outcomes (Ibitamuno et al., 2018; Ibrahim et al., 2018), many scholars agree that a higher proportion of independent directors improves monitoring quality and overall performance.

(c) Audit Committee

The audit committee is a small group within the board that oversees audits, internal controls, and how financial reports are prepared. Its role is to make sure that statements of accounts are accurate, reliable and follow all legal rules (Oluwole, 2021). With growing emphasis on corporate governance, many countries now impose stricter requirements to strengthen audit committee effectiveness. A strong audit committee enhances transparency, supports sound financial reporting, and strengthens investor confidence (Owolabi & Dada, 2011). It also contributes to effective, efficient, and dependable corporate governance structures.

(d) Bank Performance

Bank performance can be measured based on how well it's set goals and objectives are met or achieved. As supported by Okunola & Obera, (2022) that the means by which organisations, teams or individuals achieve their set objectives can be regarded as performance. It shows how well a bank is doing financially over a certain period, including how it gets and uses money, usually measured by capital strength, liquidity and profitability (Joshua et al, 2019). In most cases, bank performance is usually measured by either or a combination of its Return on assets (ROA), Return on equity (ROE) or Net interest margin (NIM). One or more of these ratios is used as a measure of performance in studies on the determinants of bank performance (Okunola & Obera, 2022). Return on assets (ROA) is used in this study to proxy bank performance.

B. Theoretical framework

(a) Agency theory

Agency theory, introduced by Jensen and Meckling (1976), explains the difference between those who own a company and those who manage it. It describes a situation where one person or group (the principals) hires another person or group (the agent) to act on their behalf and gives them some decision-making power. The theory focuses on the problems that emerge when managers and owners have conflicting interests, particularly the tendency of managers to act in self-serving or opportunistic ways. To reduce these conflicts, principals may incur agency costs, such as monitoring expenses through mechanisms like auditing and budgeting (e.g., the audit committee). These costs are reflected in the share price paid by shareholders. Reducing agency costs, such as those associated with board size, can therefore enhance firm value and demonstrates how corporate governance influences corporate performance. Agency theory supports strong oversight from directors and shareholders, especially in terms of board composition, and stresses that the board's primary role is to monitor managers and ensure they act in shareholders' best interests. Although the theory has been criticized for being one-sided and focusing mainly on economic factors while overlooking political dynamics, internal governance issues, and the interests of other stakeholders, it remains suitable for this study, as supported by Eriki and Eburajolo (2021) and Joshua et al. (2019).

(b) Stakeholders Theory

Stakeholder theory was introduced as a response to the narrow assumption of agency theory that only shareholders matter (Coleman, 2007). It argues that other groups—such as customers, employees, creditors, government agencies, and the wider public—also have interests that should be protected. Each stakeholder group has different expectations, and effective governance must address them all. This theory is relevant to the study because strong corporate governance practices and sound banking ethics help reduce agency problems by ensuring that the interests of all stakeholders, not just shareholders, are considered. For example, for banks to pay dividends to shareholders, deliver quality services to customers, meet tax obligations, motivate employees, and contribute positively to society, they must maintain strong performance and sustain public trust. Maintaining public confidence is essential for the long-term survival of banks (Fadun, 2017).

C. Empirical Review

Several studies have examined corporate governance and bank performance in Nigeria and across the world using different methods and perspectives. However, their findings have often been mixed and sometimes contradictory. The following summaries present key insights from previous empirical studies.

Emeka and Alem (2016) investigated the effect of corporate governance on the financial performance of Nigerian banks from 2004 to 2013. They found that board size and the proportion of non-executive directors had positive effects on return on assets (ROA). Their results showed that changes in these governance variables significantly influenced bank performance. Similarly, Udeh et al. (2017) examined board composition as a corporate governance tool in Nigerian quoted banks and its effect on return on capital employed (ROCE). Using OLS regression, they discovered a negative but insignificant relationship. They concluded that corporate governance systems differ across countries due to varying economic, political, and social conditions.

Dzingai and Fakoya (2017) studied how corporate governance affects the financial performance of companies listed on the Johannesburg Stock Exchange (JSE) from 2010 to 2015. Using a random effects panel model, they found a weak positive link between board independence and ROE, and a weak negative link between board size and ROE. They also found a weak negative relationship between ROE and firm size, and a weak positive relationship between ROE and sales growth. They concluded that companies perform better when they have a small and independent board.

Ibrahim et al. (2018) used descriptive statistics and OLS multiple regression to examine corporate governance and ROA of quoted Nigerian banks. Their findings showed that corporate governance significantly affects ROA. They recommended that boards of Nigerian banks should not be excessively large and should meet regularly to carry out their oversight functions more effectively.

Ghalid (2018) studied the relationship between good corporate governance ratings and bank profitability in Indonesia using panel regression. Findings showed that corporate governance was the most influential determinant of bank profitability. In contrast, Ibitamuno et al. (2018), using panel regression on Nigerian banks (2012–2016), reported that corporate governance had minimal effect on bank performance. Aliyu & Bakare (2019) also examined corporate governance in Nigerian DMBs and found a strong positive relationship between management shareholdings and financial performance, suggesting that managers perform better when they have a personal stake in the firm.

Joshua et al. (2019) studied how corporate governance affects the financial performance of Nigerian DMBs from 2007 to 2016 using panel regression. They found that the audit committee, board composition, and bank size all positively and significantly improved ROA, while board size had a small positive effect. They recommended that banks maintain a balanced mix of executive and non-executive directors and keep the board size around fourteen members.

Ogoun and Ephibayerin (2020) investigated banking ethics and financial reporting quality. Their study showed that strong ethical practices positively and significantly improve the reliability and transparency of financial reports, which in turn enhances organizational performance.

Kefiyalew and Dagnachew (2020) studied how corporate governance affects the financial performance of private commercial banks in Ethiopia using questionnaires and GLS random effects regression. They found that ROA improved significantly with female directors, executive pay, audit committee size, education, frequent board meetings, and good liquidity, while board size had a small negative effect. They recommended encouraging female board members, holding regular meetings, having strong audit committees, and keeping board sizes moderate.

Okonkwo and Azolibe (2020) examined corporate governance and bank performance in Nigeria using OLS regression on data from 2006–2018. Their findings showed that corporate governance significantly affects performance. They recommended that banks maintain an optimal proportion of outside directors to enhance governance effectiveness.

Umar and Sani (2020) studied corporate governance and performance of Nigerian DMBs from 2015–2019 using panel regression. They found significant relationships between board composition, board size, firm size, and ROA. Their recommendation emphasized strengthening these governance elements to improve performance.

Oluwole (2021) studied how corporate governance affects the profitability of Nigerian commercial banks from 2009 to 2018 using fixed effect regression. The study found that more frequent board meetings and larger boards increased earnings per share (EPS), while more frequent audit committee meetings reduced EPS. The study emphasized the importance of following regulatory governance rules.

Egiyi (2022) studied how corporate governance affects the performance of Nigerian manufacturing companies listed on the stock exchange from 2010 to 2020 using System GMM. The study found that audit quality, audit committee size, and board size significantly influenced profitability. It recommended stronger institutional and government controls to improve company performance.

Okunola and Obera (2022) conducted a survey to study corporate governance and the performance of listed DMBs in Nigeria. They found a strong link between corporate governance and bank performance and recommended keeping board size within the legal limit while ensuring that board members have the necessary experience to boost performance.

3. Methodology

This study used an ex-post-facto research design, which is suitable for analyzing existing data to study the relationship between variables. Since the required data is publicly available and cannot be changed by the researcher, this design was appropriate. The study used secondary data from the financial statements of selected Deposit Money Banks (DMBs) listed on the Nigerian Stock Exchange Group (NXG) as of December 31, 2021, covering the years 2010 to 2021. The population of the study included all DMBs listed on the NXG as of that date.

A purposive sampling technique was used to select ten (10) banks out of the nineteen DMBs listed on the NXG as of the same date. This sampling technique was considered appropriate because it increases the likelihood of selecting relevant banks and minimizes selection bias. The selected banks, FirstBank of Nigeria, Guaranty Trust Bank, Zenith Bank, United Bank for Africa, Access Bank Plc, Unity Bank, Stanbic IBTC, Wema Bank, Sterling Bank and CitiBank, were chosen because they have up-to-date financial statements and have performed well in the stock market.

The data was analyzed using panel least squares regression, correlation analysis, and descriptive statistics. This study adapted the approach from Joshua et al. (2019), who studied how corporate governance affects the financial performance of listed DMBs in Nigeria. However, this study modified the model by removing firm size and retaining three other commonly used governance variables to assess their effect on bank performance. The model is specified below:

ROA = f (BSIZE, BCOM, ACOM, FSIZE) 1
Modified and stated in operational form as:
ROA = f (BS, BC, AUC) 2
$ROA = \beta_0 + \beta_1 BS + \beta_2 BC + \beta_3 AUC + e_t$ 3

Where, ROA = Return on asset, BS = Board size, BC = Board composition, AUC = Audit committee, β_0 - β_3 = Coefficient, e_t = error term. On a priori basis, $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$

In other words, this implies that ROA is expected to increase as board size (BS), board composition (BC), and audit committee (AUC) increase.

4. Results and Discussion

Table 1: Descriptive statistics

	ROA	AUC	BC	BS
Mean	0.611729	3.108333	0.632589	13.67500
Max	1.063524	4.000000	1.428571	20.00000

Min	0.035504	2.000000	0.400000	7.000000
Std. Dev.	0.190757	0.384486	0.136753	2.744475
Obs	120	120	120	120

Source: Authors

As shown in Table 1, the mean values were 0.6117 for ROA, 3.1083 for AUC, 0.6326 for BC, and 13.6750 for BS. The maximum and minimum values were 1.0635 and 0.0355 for ROA, 4.0000 and 2.0000 for AUC, 1.4286 and 0.4000 for BC, and 20.0000 and 7.0000 for BS. Standard deviations for the variables were 0.1908, 0.3845, 0.1368, and 2.7445 for ROA, AUC, BC, and BS, respectively.

Table 2: Correlation Matrix

	ROA	AUC	BC	BS
ROA	1			
AUC	-0.273055	1		
BC	-0.122647	0.239697	1	
BS	0.123274	-0.133591	-0.516743	1

Source: Authors

From the correlation matrix in Table 2, audit committee (AUC) and board composition (BC) show negative correlation with return on asset (ROA) of DMBs. This implies that increase in AUC or BC are associated with a decrease in ROA. In contrast, board size (BS) has a positive correlation with ROA, indicating that larger boards are linked to higher ROA.

Table 3: Panel Unit Root Test

Variable	T-Stat	Prob.	Stationarity	Remark
Return on asset	-2.11373	0.0173	I(0)	At level
Audit committee	-4.94710	0.0000	I(0)	At level
Board size	-2.20989	0.0136	I(0)	At level
Board composition	-2.12453	0.0168	I(0)	At level

Source: Authors

The Im, Pesaran and Shin statistic is used to confirm the stationarity of the bank performance. As observed in Table 3, the variables were all stationary at the level because the p-values are all less than the norm of 0.05. Thus suggests that there is no need for first-differencing, making the dataset suitable for further analysis.

Table 4: Hausman Test

Test Sum.	Chi-Sq. Stat	d.f.	Prob.
Cross-section random	11.382197	3	0.0098

Source: Authors

Table 4 shows the Hausman test results, which help decide whether to use a fixed effects or random effects model for the panel data. The test gives a p-value of 0.0098 and a chi-square of 11.382197 with three degrees of freedom. This means the null hypothesis that the random effects model is suitable is rejected. Therefore, the fixed effects model is preferred because it accounts for differences between banks that are not directly observed, giving more accurate and unbiased estimates.

Table 5: Panel Regression Analysis

Dependent Variable: ROA				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	0.464284	0.240789	1.928177	0.0565
AUC	0.025187	0.050896	0.494868	0.6217
BC	-0.185878	0.170406	-1.090792	0.2778
BS	0.013656	0.008533	1.600335	0.1125
	R-squared			0.357774
	Adjusted R-squared			0.285749
	F-statistic			4.967343
	Prob.(F-statistic)			0.000002
	Durbin-Watson stat			2.093309

Source: Authors

The regression results in Table 5 show that the Audit Committee (AUC) has a small positive effect on the performance of listed Deposit Money Banks (DMBs), with a coefficient of 0.025187. This means that increasing the audit committee size by one unit is linked to a 0.025187 improvement in bank performance. Board Composition (BC) has a small negative effect, with a coefficient of -0.185878, indicating that a one-unit increase in BC would reduce bank performance by 0.185878. Board Size (BS) also has a small positive effect, with a coefficient of 0.013656, showing that a one-unit increase in board size corresponds to a 0.013656 increase in performance.

The Adjusted R-squared value of 0.285749 shows that about 29% of the variation in bank performance is explained by audit committee size, board composition, and board size combined. The Durbin-Watson value of 2.093309, which is within the acceptable range, indicates that there is no autocorrelation in the residuals. Additionally, the F-statistic of 4.967343 with a p-value of 0.000002 is significant at the 5% level, showing that the audit committee, board size, and board composition together have a significant impact on the performance of listed DMBs.

A. Test of Hypotheses

The fixed effect regression results in Table 5 show that the Audit Committee (AUC) has a t-statistic of 0.494868 and a p-value of 0.6217, which is not significant at the 5% level. This means the null hypothesis is accepted, indicating that the audit committee does not significantly affect the performance of listed Deposit Money Banks (DMBs) in Nigeria. Similarly, Board Composition (BC) has a t-statistic of -1.090792 and a p-value of 0.2778, showing a negligible effect on bank performance. Therefore, the null hypothesis that board composition has no significant impact on listed DMBs is also accepted.

Finally, Board Size (BS) is also not significant at the 5% level, with a t-statistic of 1.600335 and a p-value of 0.1125. This means the null hypothesis, that board size does not significantly affect the performance of listed DMBs in Nigeria, is accepted. Overall, the hypothesis tests show that none of the examined corporate governance factors have a significant impact on the performance of the banks studied.

B. Discussion of findings

Unlike Joshua et al. (2019), who found that corporate governance has a positive and significant effect on bank performance, this study shows that the audit committee has a positive but very small impact on the performance of listed DMBs in Nigeria. This aligns with the findings of Okunola and Obera (2022) and Okonkwo and Azolibe (2020). According to Agency Theory, the audit committee acts as a monitoring tool to reduce agency costs and ensure managers act in shareholders' best interests. However, the insignificant effect suggests that simply having an audit committee may not be enough to fully address agency problems.

Similarly, board size was found to have a positive but insignificant effect on the performance of listed DMBs, consistent with Joshua et al. (2019). However, this finding differs from Umar and Sani (2020), Oluwole (2021), and Okunola and Obera (2022), who observed a positive and significant relationship between board size and bank performance. The positive signs in the coefficients of audit committee and board size indicate potential improvement in performance with increases in these variables. This finding can also be linked to Agency Theory, as larger boards are expected to provide better monitoring of management and reduce opportunistic behaviours. Nonetheless, the insignificant result implies that beyond a certain point, increasing board size may not translate into enhanced performance.

In contrast, board composition exhibited a negative and insignificant effect on bank performance, in agreement with Okonkwo and Azolibe (2020), but contradicting the results of Joshua et al. (2019), Okunola and Obera (2022), that found a positive and significant relationship. This finding can be interpreted using Stakeholders' Theory, which stresses the need to balance the interests of multiple stakeholders, not just shareholders. A higher proportion of independent directors may not automatically improve performance if their engagement with stakeholder interests is weak or if conflicts between stakeholder demands exist.

5. Post-Estimation Diagnostics

Several post-estimation diagnostic tests were done to ensure the panel regression results are reliable and accurate. These tests check for potential problems in the model, such as autocorrelation, multicollinearity, heteroscedasticity and incorrect model specification, which could distort the results.

Table 6: Post-Estimation Diagnostics

Diagnostic Test	Statistic / Observation	Interpretation
Multicollinearity	Correlation matrix & VIF < 10	No serious multicollinearity detected among independent variables
Heteroscedasticity	Breusch-Pagan / White test	Residuals exhibit constant variance; no evidence of heteroscedasticity
Autocorrelation	Durbin-Watson = 2.0933	No autocorrelation; coefficient estimates are efficient and reliable
Model Specification	F-statistic = 4.9673, p = 0.000002	Model is significant; independent variables jointly explain variation in ROA
Normality of Residuals	Jarque-Bera test	ROA and BS are normally distributed; AUC and BC deviate from normality

Source: Authors

The post-estimation diagnostics in Table 6 indicate that the regression model is generally robust and reliable. Multicollinearity is not an issue, as the correlation matrix and VIF values are below 10, showing that the independent variables, audit committee, board composition, and board size, are not highly correlated and each contributes uniquely to explaining bank performance. The Breusch-Pagan and White tests confirm homoscedasticity, as the residuals exhibit constant variance, suggesting that the efficiency of the OLS estimates is not compromised by unequal error variances.

The Durbin-Watson value of 2.0933 shows that the residuals are independent over time, meaning there is no serious autocorrelation, and the coefficient estimates are reliable. The F-statistic of 4.9673 ($p = 0.000002$) confirms that the model is statistically significant, showing that the independent variables together explain a large part of the variation in ROA.

Regarding normality, the Jarque-Bera test shows that ROA and board size are normally distributed, while audit committee and board composition deviate from normality. However, with a sufficiently large sample size ($n=120$), the Central Limit Theorem suggests that normality violations have minimal impact on the reliability of OLS estimates. Overall, the diagnostics suggest that the model is well-specified, reliable, and suitable for inference, with no major concerns regarding multicollinearity, heteroscedasticity, or autocorrelation.

6. Conclusion and Recommendations

This study concludes that while corporate governance structures are important, their presence alone may not guarantee improved bank performance. In other words, the effectiveness of governance mechanisms in enhancing bank performance may depend more on the quality of implementation and active engagement rather than simply the structural presence of committees or board members. Therefore, this study recommends that banks should focus on improving the functionality of audit committees by ensuring regular meetings, proper training of members and active oversight of financial reporting to strengthen their monitoring role which may possibly translate to better performance; banks should aim for an optimal board size that promotes effective decision-making, active participation and coordination among directors; and banks should emphasize the quality and engagement of independent and non-executive directors to ensure that their roles go beyond formal presence to active contribution in strategic decisions and stakeholder management.

7. References

[1] Aktas, N., Andries, K., & Croci, E. (2018). Stock market development and the financing role of IPOs in acquisitions. *Journal of Banking and Finance*, *98*, 25–38.

[2] Aliyu, A.A., & Bakare O.T. (2019). Effect of corporate governance on financial performance of deposit money banks in Nigeria. *Asian Journal of Economics, Business and Accounting, 19*(3), 121-136. http//:10.9734/ajeba/2019/v13i330175

[3] Central Bank of Nigeria, (2006). Code of corporate governance for banks in Nigeria post consolidation.

[4] Chan, K., Pan, Y., Weng, R., & Nianhang, X., (2018). The role of corporate philanthropy in family firm succession: A social outreach perspective. *Journal of Banking and Finance*, *88*, 423-441.

[5] Coleman, A. K. (2007). The Impact of capital structure on the performance of microfinance institutions. *The Journal of Risk Finance, 8*(1), 270-279.

[6] Dzingai, I. & Fakoya M. B (2017). Effect of corporate governance structures on firm financial performance in Johannesburg stock exchange (JSE), - Listed Mining Firms. *MDPI Sustainability Journal, 9* (867) 2-15

[7] Egiyi, M. A. (2022). Corporate Governance and Firm Performance: Evidence from Nigeria Publicly Traded Enterprises. *Global Journal of Finance and Business Review, 5*(2), 1-12.

[8] Emeka, E.E & Alem, A.I.E. (2016). Effect of corporate governance on bank's financial performance in Nigeria. *IOSR Journal of Business and Management, 8*(11), 99-107.

[9] Eriki, P. & Eburajolo, CO. (2021). Corporate governance and bank performance: A case of the Nigerian financial sub-sector *Covenant University Journal of Politics & International Affairs, 9*(1)

[10] Fadun, O. S. (2017). Risk management through corporate governance: Implications on the performance of banks in Nigeria. *Unilag Journal of Business, 3*(2), 147-170.

[11] Ghalid, S. (2018). Good corporate governance rating and bank profitability in Indonesia: Evidence from panel data. *International Journal of Business and Society, 19*(3), 570-586.

[12] Ibitamuno, A.D., Onuchuku O. & Nteegah, A. (2018). Corporate governance and banking sector performance in Nigeria. *Journal of Applied Economics and Business*, *6*(4), 35-50.

[13] Ibrahim, J., Adesina, K.O., Olufowobi, T.A., & Ayinde P.K. (2018). Corporate governance and return on assets of quoted banks in Nigeria. *International Journal of Business and Management Review, 6*(10), 1-13

[14] Jensen, M. & Meckling, W. (1976). Theory of the firm: Managerial behaviour, agency costs, and Ownership structure. *Journal of Financial Economics, 3*(4), 305-360. https://uclafinance.typepad.com/main/files/jensen_76

[15] Joshua, U. M., Effiong, E. J., & Imong, N. (2019). Effect of corporate governance on financial performance of listed deposit money banks in Nigeria. *Global Journal of Social Science* (18), 107-118.

[16] King, R.G. & Levine, R. (1993). Finance and Growth: Schumpeter might be right. *Quarterly Journal of Economics, 108*(3) 717-737.

[17] Kefiyalew B. B.& Dagnachew A. H. (2020). Corporate governance and its effects on financial performance of banks evidence from selected private commercial banks in Ethiopia. *Journal of Economics and International Finance*. *12*(4), 187-195.

[18] Makinde, O. G., Omidiji, D. O., Uhuaba, O., Ogunsola, O. A., Asikhia, O. (2021). Business ethics and performance of the Nigerian Banking sector: A conceptual approach. *International Journal of Business Marketing and Management (IJBMM). 6*(3), 12-20.

[19] Merli, R., Preziosi, M., & Acampora, A. (2018). Sustainability experiences in the wine sector: Toward the development of an international indicators system. *Journal of Cleaner Production*, 172, 3791-3805.

[20] Nigerian Code of Corporate Governance (2018). Issued by financial reporting council of Nigeria. Online Available Accessed on 30 May, 2018

[21] Ogoun, S., & Ephibayerin, F. A. (2020). Accounting ethics and quality of financial reporting. *International Scholar Journal of Arts and Social Science Research, 3*(1), 60 - 75.

[22] Okunola A.O. & Obera. J.O.J (2022). Corporate governance and firm performance of listed Deposit Money Bank in Nigeria. *Fuoye Journal of Accounting and Management 5*(2), 215-235.

[23] Oluwole, F.O. (2021). The impact of corporate governance on banks profitability in Nigeria. *Financial Markets, Institutions and Risks*, *5*(1), 18-28. http://doi.org/10.21272/fmir.5(1).18-28.2021

[24] Owolabi, S. A. & Dada, S.O. (2011). Audit committee: An instrument of effective corporate governance. *European Journal of Economics, Finance and Administrative Sciences, 35*, 174-183.

[25] Udeh, F.N. Abiahu M.F.C. & Tambou, L.E. (2017). Impact of corporate governance on firms' financial performance: A Study of Quoted Banks in Nigeria. *Development, The Nigerian Accountant 4*(6), 54-62.

[26] Umar, A.I, & Sani, D. (2020). Effect of corporate governance on the performance of listed deposit money banks in Nigeria. *Science Journal of Business and Management*, *8*(1), 35-40.