WELLSPRING UNIVERSITY JOURNAL OF SOCIAL AND MANAGEMENT SCIENCES
(WUJSMS)
VOL. 2 NO. 1 ISSN: 2616-1296 JANUARY 2023

CORPORATE GOVERNANCE AND PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA: AN ANALYSIS OF THE CAPITAL ADEQUACY OF THE CAMELS RATING MODEL

IFEANYI S. MGBATAOGU (PhD)
Department of Finance and Banking,
University of Port Harcourt,
Port Harcourt, Rivers State
ifeanyimgbataogu@gmail.com

EMEKA J. OKEREKE (PhD)
Department of Finance and Banking,
University of Port Harcourt,
Port Harcourt, Rivers State.

&

NNENDA V. ERESU-DEEKAE (PhD IN VIEW)
University of Port Harcourt Business School,
Chinua Worlu Drive, Off Abacha Road,
GRA, Port Harcourt,
Rivers State.

Abstract

Motivated by the lofty and indispensable roles the commercial banks play in the economy and the consequent need to operate within acceptable standards of governance for consistent profitable operations. This study sets out to empirically ascertaining the influence of corporate governance captured by board representation, board size, audit independence, ownership concentration, board activism and performance of selected listed banking firms in Nigeria aptly captured by the capital adequacy component of CAMELS (capital adequacy, asset quality, management efficiency, earnings ability, liquidity and sensitivity to market risk) rating of Domestic Statistically Important Banks in Nigeria. Utilizing time series data sourced from the annual reports of the banks The study employed ex-post facto research design. The panel random effect regression technique was carried out to reveal the short run relationship at the 95% confidence interval. One notably striking observation from the regression results is the consistency of board representation as well as board size in statistically significantly influencing all the constituent components of the CAMELS ratings. For instance, the results provide evidence that in the short run, that board representation and board size have a significant positive effect on capital adequacy of quoted deposit money banks in Nigeria during the period of study. Therefore, the study concludes that governance in banking business entities strongly affects their performance. We therefore recommend among others that board size should be maintained at an optimal level to enhance performance. Also, regular meetings of the audit committee as much as being encouraged, the quality of such meetings and their attendant resolutions should even be scrutinized to ensure the effectiveness and desired impact on general performance of the banks.

Keywords: Corporate Governance, Capital Adequacy, CAMELS ratings, Banks, Performance, Ordinary Least Squares (OLS)
JEL CODE 13-SJ

Introduction

Understanding corporate governance of banks has become necessary due to the risk inherent to the banking system and the danger it poses to the general economy. It provides a structure that works for the benefit of the stakeholders by ensuring that the institution adheres to the accepted ethical standards and best practices. According to Ammann, M., Oesch, D. and Schmid, M.M. (2011) and Peni and Vahamaa (2011), banks with stronger Corporate Governance mechanisms had; Higher market Value, Higher Profitability and Less Negative Stock Returns during crises. Over the years, corporate governance in Nigeria has received increased attention due to the high-profile scandals involving abuse of corporate power and alleged criminal activity by corporate officers,

After the conclusion of the banks' consolidation program in 2005, the Central Bank of Nigeria issued an enhanced Code of Corporate Governance for Banks in Nigeria and this became effective in April, 2006. The purpose was to enhance corporate governance practices within the banking system due to the notably weak corporate governance mechanisms in place and the Banks' directors were obviously not aware of their statutory responsibilities. Therefore, there seems to be a link between the mode of corporate governance and the performance of organizations, which means that the way an organization is governed, has significant effect on its financial performance (Denis & McConnell 2003).

The evaluation of banks' financial performance has become the most common measurement for the banking sector. The CAMEL framework has become the common financial structure used by researchers to measure the financial performance of banks. A world-wide group of researchers, such as Ilhomovich (2009), Jaffar and Manarvi (2011), Nimalathasan (2008), Said et al. (2008), Sangmi and Nazir (2010), and Teck (2000) used the CAMEL framework as their financial indicator to evaluate the bank performance. They agreed that CAMEL framework is the best technique to evaluate the financial performance of ban

The evaluation of banks' financial performance has become the most common measurement for the banking sector. The CAMEL framework has become the common financial structure used by researchers to measure the financial performance of banks. A world-wide group of researchers, such as Ilhomovich (2009), Jaffar and Manarvi (2011), Nimalathasan (2008), Said et al. (2008), Sangmi and Nazir (2010), and Teck (2000) used the CAMEL framework as their financial indicator to evaluate the bank performance. They agreed that CAMEL framework is the best technique to evaluate the financial performance of banks. The evaluation of banks' financial performance has become the most common measurement for the banking sector. The CAMEL framework has become the common financial structure used by researchers to measure the financial performance of banks. A world-wide group of researchers, such as Ilhomovich (2009), Jaffar and Manarvi (2011), Nimalathasan (2008), Said et al. (2008), Sangmi and Nazir (2010), and Teck (2000) used the CAMEL framework as their financial indicator to evaluate the bank performance. They agreed that CAMEL framework is the best technique to evaluate the financial performance of banks.

The evaluation of banks' financial performance has become the most common measurement for the banking sector. The CAMEL framework has become the common financial structure used by researchers to measure the financial performance of banks. A world-wide group of researchers, such as Ilhomovich (2009), Jaffar and Manarvi (2011), Nimalathasan (2008), Said et al. (2008), Sangmi and Nazir (2010), and Teck (2000) used the CAMEL framework as their financial indicator to evaluate the bank performance. They agreed that CAMEL framework is the best technique to evaluate the financial performance of banks.

The CAMEL framework has become a common financial structure used by researchers to measure the financial performance of banks. IIhomovich (2009), Jaffar and Manarvi (2011) and Sangmi and Nasir (2010) used CAMEL framework as their financial indicator to evaluate bank performance. CAMELS stand for six components of bank safety and soundness namely Capital Adequacy, Asset Quality, Management Efficiency, Earnings Ability, Liquidity and Sensitivity to Market Risk. As a measure financial performance, CAMELS examines the Profit and Loss Statement and Balance Sheet on the basis of each of the components (Dang, 2011)

The classification of banks as systemically important was a fallout of the 2007-2009 global crisis which was said to be the most severe in the past four decades with devastating spillover effects on the global financial system. It was discovered that problems faced by the SIFIs affected the orderly functioning of the financial system which in turn affected the real economy negatively. SIFIs are financial institutions whose failure would significantly disrupt the essential services they provide to the banking system and the overall economy (Chen, Shi, Wei & Zhang, 2014). They are called the ‘’too-big-to-fail banks (Gu, & Zhu, 2015).

Nigeria joined the list of countries that classified their banking system into Systemically Important Banks and Non-Systemically Important Banks in November 2013 after the Central Bank of Nigeria listed eight banks namely First Bank, Guaranty Trust Bank, Zenith Bank, United Bank for Africa, Access Bank, Skye Bank, Eco bank Nigeria and Diamond as SIBs or “too big to Fail banks (Okafor & Azuzu, 2018; Dosekun & Senbore, 2019). These banks constitute on the average, 72 percent, 69 percent and 70 percent of the aggregate industry loans, industry total assets and total industry deposits in 2015, 2016 and 2017 respectively (CBN, 2016, 2017 2018).

There have been several assessments on the financial performance of Systemically Important Financial Institutions and literature reviews have shown that the stability of banks depends on their financial performance levels. This is due to the fact that high level of profitability enables banks to absorb risks and shocks and it is an indicator of its efficiency (Wapmuk, 2016). This study has highlighted the financial structures of CAMELS and Corporate Governance in achieving the best measurements of evaluating bank performance. The main objective is to examine the impact of Corporate Governance on CAMELS rating of SIFIs in Nigeria. The focus of this work therefore is to empirically examine the influence of corporate governance on the CAMEL rating of SIFIs in Nigeria.

The study of bank performance has been implemented across the globe due to the pressure from global crises that requires a detailed review and pre-emptive measures to maintain the performance of the banking sector. Considering the outcomes and mitigating measures of the study, researchers investigated the methods and variables that should be used to evaluate bank performance. One of such elements used to evaluate bank performance is corporate governance. Corporate governance is among the best indicators to measure bank performance and has a positive association with bank performance (Manaseer et al., 2012). In Nigeria, despite the merger and acquisition program of 2005 spear headed by the Central Bank of Nigeria, the banking institution is still having crisis. In the banking sector, corporate governance involves how the operations of banking institutions are handled by boards of directors. It dictates the way and manner banks execute their strategies, goals and policies including the provision of equal business opportunities for stakeholders. Corporate governance roles have shifted focus recently, due to lack of control initiatives and corporate frauds. The fundamental objective for issuing the CBN Circular (2014) is to create a transparent and rewarding system of banking that establishes the rule of law and supports dependable and sustainable segregation of duties. Codes have been established for

corporate governance and given to the Nigerian banking sector as a barometer for financial institutions to function effectively. They are as follows: BOFIA: The Bank and Other Financial Institutions Act 1991, FRCA: The Nigerian Financial Reporting Council Act 2011, BRMA: The Business and Related Matters Act 2018 (as revised), NDIC: The Nigerian Deposit Insurance Corporation Act 1988, SEC: The Securities and Exchange Commission, NSE: The Nigerian Stock Exchange and CAC: The Corporate Affairs Commission Act 1988 and others not mentioned here. The Basel core principles of effective banking provide a set of 25 basic principles, which support an effective supervisory system. Corporate governance is an important part especially for the Board of Directors and the Regulators in banking institutions and in addressing the banking crisis.

Apart from employing random financial ratios to evaluate bank performance, CAMELS framework is one of the common tools to access the bank performance by using the specific ratios under its components. CAMELS ratios are the most important ratios to predict failure and evaluate the performance of finance companies (Shukla, 2015). The six elements of CAMELS indicators signify a major aspect in a bank's financial statement, implying that when the six elements are inadequate, it increases the prospects of bank failure. This means that all the CAMELS indicators play an important role in presenting the best measurement for financial performance of banks (Salhuteru and Wattimena, 2015).

Past literature has shown that both CAMELS framework and corporate governance affect bank performance separately. There has not been much literature in Nigeria that shows a combined study of corporate governance and CAMELS framework. Most of the studies relate to corporate governance and bank performance such as those of Adedeji and Ajulu (2020), Olabisi and Omoyele (2019), while others relate CAMELS framework to bank performance as Yusuf and Tijani (2019), Ifeanyi and Sotonye (2017) and Precious and Onyema (2019) but did not exclusively cover SIFIs but selected quoted commercial banks in Nigeria.

There is a lack of research that specifically investigates the relationship between corporate governance and CAMELS framework in respect to the performance of the SIFIs. This combination is relatively unexplored in Nigeria. This study takes the initiative by examining the moderating impact of corporate governance on the relationship between CAMELS framework and the performance of SIFIs in Nigeria. The purpose of the study is to examine the influence of corporate governance on the CAMELS framework as performance indicators of SIFIs in Nigeria over the study period with special attention on the capital adequacy component.

Theoretical Foundation and Empirical Review

Factors influencing the performance of the banks in financial sector have grabbed the attention of the many research scholars, bank supervisors and financial markets. Scholars began conducting research on the performance of the banks between 1970 and 1980. They applied two models named as efficient structure theory and market power theory (Athanasoglou, Brissimis, & Delis, 2008). Another theory which is known as balanced portfolio theory helps in determining profits fetched by banks. It has also been used in the study of the profitability of banks (Nzongang & Atemnkeng, 2006). The performance of the banks is affected by the market structure of the industry stated by market power theory which was given by Tregenna (2009). The Structure Conduct Performance (SCP) and the Relative Market Power (RMP) are the two different approaches of the market power theory. SCP approach states that banks in high concentration market have more potential to raise profits than firms in low concentration market as banks have the chance to get deposits at lower interest rates and allocate loans at higher interest rates due to the presence of monopolistic environment (Tregenna, 2009). The RMP approach states that profits fetched by the banks are affected by their shares in market. This approach makes an assumption

that the banks which have differentiated products can be price makers and experience more power in the market (Tregenna, 2009).

Another theory which is known as efficiency theory states that banks are more efficient than other hence, they earn more profits. This theory also possesses two different approaches named as Scale efficiency hypothesis and X efficiency. X efficiency states that efficient firms have lower cost hence, they are more profitable than others. On the other hand, approach of Scale efficiency focuses on high scale production and ignores any differences in management and technology of production. Large firms have benefit of economies of scale which leads to low per unit cost of product and high profits for the firms. Hence, they have high market share which leads to higher profits (Athanasoglou et al., 2006). Balanced portfolio theory also plays a vital role in the study of performance of the banks. (Nzongang and Atemnkeng, 2006). This theory states that decisions regarding the policy affect the optimal presence of each asset in the investment of shareholder. These decisions are affected by a number of factors such as rate of return, size of the portfolio and risks associated with the holding of each asset. High profits can be achieved by possible set of liabilities and assets which are recognized by management and expenses incurred by banks. The performance of the banks is also affected by signaling, balance sheet ratio, bankruptcy costs and risk return trade off. Hence, equity to asset ratio also plays an important function in determining the performance of the banks.

A number of theories of corporate governance exist to explain the content of corporate governance practice. Especially interesting are the classical theories which espouse earlier thinking in the practice of corporate governance. We review these theories and current literature to help us clarify how earlier scholars understood the subject matter of corporate governance. Hawley and Williams (1996) did an intensive review of corporate governance literature and identified four major theories of corporate controls – 1) The simple finance model; 2) The Stewardship Model; 3) The Stakeholder Model and; 4) The Political Model.

Tricker (1996) states that, stewardship theory, stakeholders' theory and agency theory are all essentially ethnocentric. Although, the underlying ideological paradigms are seldom articulated, the essential ideas are derived from western thought with its perceptions and expectations of the respective roles of individual, enterprise and the state and of the relationship between them.

In some corporate governance studies, the legal or regulatory framework and the division of power between directors and shareholders, as set out in corporate codes, is mostly implicitly accepted as the given "state of the business world". As such, different insurance industries have different policies governing the power of the directors in relation to their stockholders, which leads to the introduction of different guiding principles to achieve significant differences in the management decisions of insurance companies.

Empirical research has examined the relationship between corporate governance and bank performance. Herbert and Agwor (2021) examined the effect of corporate governance disclosure (CGD) on the financial performance of commercial banks listed in the Nigeria stock Exchange. The study trichotomized corporate governance disclosure into those relating to the board of directors, risk management framework and whistleblowing policy. The dependent variables used were earnings per share, return on assets and return on equity. The sample comprises of thirteen commercial banks, using seventy-eight extracted annual reports from 2011 to 2016. The result shows a positive statistically significant relationship between corporate governance disclosure on board of directors and the financial performance variables of return on assets, return on equity and earnings per share. Also, the corporate governance disclosure of whistle-blowing policy has a

positive and significant relationship with earnings per share, return on assets and return on earnings. The study did not find a significant association between corporate governance disclosure of risk management framework and banks' performance.

Fernandes, Farinha & Mateus (2021) study the impact of board structure, CEO power and other bank-specific factors on bank risk-taking for a sample of seventy-two publicly listed European banks in both stable and crisis periods. The results show that the proportion of independent directors, board size and Chief Executive Officer (CEO) power affected bank risk taking negatively during recent financial crisis. However, institutional shareholder ownership and the presence of an ex-CEO as chairman influenced bank risk taking positively. Also, during the pre-crisis period, only board independence and institutional ownership keep the same impact on risk while CEO power has no influence and the existence of an ex- CEO as chairman reduces risk-taking by banks.

Adedeji, Elijah and Ajulo (2020) examined the impact of corporate governance on the performance of selected banks in Nigeria using regression analysis of five years ranging from 2014-2018. The stock performance being the response variable was captured as market price per share (MPS) while the explanatory variables were captured as board size, corporate governance disclosure index, non-executive directors and number of female directors. The result showed that there exists a positive and significant relationship between corporate governance variables of board size and number of female directors and market price per share. However, there is a negative relationship between corporate governance disclosure index and market price per share. Also, number of executive directors was negatively and significantly related to banks' stock performance.

Okonkwo, Azolibe and Nwadibe (2019) investigated the effect of corporate governance on bank performance in Nigeria for the period 2006-2018. This study made use of fifteen banks that are publicly listed within the period under review. The Granger Causality test was applied to determine the direction of causality. The results show that board audit committee has a positive relationship with net profit margin while block-shareholding and board composition have negative relationship on growth in revenue and growth in net profit.

Basar, Bouteska & Eksi (2021) examines the relationship between the structure of corporate governance and performance in the banking sector. The samples consist of data from a total of thirty-three Turkish banks for the period between 2012 to 2017. A board characteristics index comprising of board composition, board leadership structure, board membership characteristics and board committee structure represent the corporate governance structure while return on asset is the proxy for bank performance. The results show that the four sets of board attributes relate significantly and positively with return on assets.

Bezawada (2020) examines corporate governance practices and analyzes the role of the board characteristics in terms of board size, board composition and functioning of the board as it relates to the performance and asset quality of banks. A sample of thirty-four commercial banks were used for the period of 2009 to 2018.The study finds that busy directors and the number of meetings have a positive significance on bank performance. The percentage of independent directors influence a significant negative relationship on the net non-performing assets ratio while the board size has a significantly negative impact on bank performance.

Georgantopoulos and Filos (2017) investigates the impact of corporate governance mechanisms on the performance of Greek banks. The sample of this study consists of thirteen Greek banks over the period of 2008 to 2014. Panel data was employed because it is considered the most reliable sampling method when dealing with cross-sectional data. The corporate

governance variables have five different proxies of board size, independent directors, gender diversity, foreign directors and CEO-Chairman duality. The bank performance proxies are return on assets, return on equity, net interest margin and pretax operating income. The findings show that increasing the board size and the number of independent directors can both have positive impact on the four measures of performance of Greek banks, but only up to a certain point. Therefore bank efficiency will increase as board size and the proportion of independent directors grow up to a point where these relationships hit a maximum from which bank performance decreases. Also the dual appointment of the CEO as Chairman appears to affect negatively return on assets and return on equity as it decreases bank performance. There is no statistically significant relationship between gender diversity / foreign directors on bank performance.

Sugiyanto and Tukiyat (2022) examine the effect of financial contagion and good corporate governance on company performance of 104 banks company listed on Indonesia Stock Company from 2016-2019. Corporate governance is measured using the number of independent directors, frequency of board meetings, and attendance at board meetings. This study has two dependent variables, namely market performance as measured by Price Earnings Ratio (PER) and operational performance as measured by return on equity (ROE). The analysis method used is multiple regression models with two dependent variables. The results showed that the contagion effect had a positive influence on the company's PER performance but did not have an effect on the company's ROE performance. Meanwhile, corporate governance through the board of directors' meeting is able to have an influence on ROE performance but not on PER. This shows that when there is a domino effect from another country it will have an influence on share prices in the market.

Martins and Osemudiamen, (2019) examines board size and corporate performance of quoted companies in Nigeria. The objectives of the study are to examine the relationship between board size and total asset of quoted Nigerian banks; to examine the relationship between board size and total revenue of quoted Nigerian banks; to examine the relationship between board size and net profit of quoted Nigerian banks. The study adopted panel research design and census survey approach. The population of this research consists of 21 commercial banks in Nigeria. Data were collected from secondary sources that is audited financial statements. The findings of the study showed that there is a negative relationship between board size and total assets; there is a positive relationship between board size and gross revenue; there is a positive relationship between board size and Net profit. From the above findings, the study concluded that there is a relationship exist between board size and corporate performance of quoted Nigerian banks. The study further recommend that commercial banks and quoted firms must ensure that a proper board of directors is composed in other to institute standards and controls that will boost the net income of the firm; regulatory bodies should ensure that firms constitute a board with a standard size of seven members. The board also must have professionals who have requisite knowledge in the business; firm's board must ensure that the committees in the board are most effective in safeguarding the asset of the organization.

Bebeji, Mohammed and Tanko (2015) analyzed the effects of board size and board composition on the performance of Nigerian banks. The financial statements of five banks were used as a sample for the period of nine years and the data collected were analysed using the multivariate regression analysis. The paper found that board size has significant negative impact on the performance of banks in Nigeria. This signifies that an increase in Board size would lead to a decrease in ROE and ROA. On the other hand, board composition has a significant positive effect on the performance of banks in Nigeria. This signifies that an increase in Board composition would

lead to a decrease in ROE and ROA. It is recommended that banks should have adequate board size to the scale and complexity of the organisation's operations and be composed in such a way as to ensure diversity of experience without compromising independence, compatibility, integrity and availability of members to attend meetings. The board size should not be too large and must be made up of qualified professionals who are conversant with oversight function. The Board should comprise of a mix of executive and non-executive directors, headed by a Chairman.

There is also literature that relate CAMELS rating framework and bank performance of randomly selected quoted commercial banks in Nigeria (Yusuf and Tijani (2019), Ifeanyi and Sotonye (2017) and Precious and Onyema (2019). However, they did not incorporate the role of corporate governance in banks' performance. In crisis situation that led to the enhancement of corporate ethics, there is need to link up corporate governance and performance in order to achieve a more liable empirical outcome. There is therefore room for a comprehensive valuation of bank performance, while taking a step back from the stand-alone and traditional approach to performance evaluation.

From the foregoing, it becomes imperative to empirically investigate relationship between corporate governance and bank performance using capital adequacy component of CAMELS rating of the D-SIBs in Nigeria.

Methodology

This is a time series/cross-sectional research that involved the use of regression/correlation and other sophisticated econometric tools. The data used in this study are secondary data which are readily available and cannot be manipulated.

Population of the Study

The population of the study comprised the twenty-four commercial banks licensed by the Central Bank of Nigeria.

Sampling Procedure and Sample Size

This study adopted the non-probability (purposive) sampling method and it was based on the judgment of the Central Bank of Nigeria which classified banks based on operational scope - regional, national and international banks. Also, Thus the sample of this study comprises of five selected Domestic Systemically Important Banks (D-SIBs) quoted on the floor of the NSE namely: First Bank Plc, Zenith Bank Plc, Guaranty Trust Bank Plc, Access Bank Plc and United Bank for Africa Plc.

Model Specification

In order to achieve the objectives of this study and test the hypotheses, a functional relationship in form of a multiple linear regression model consisting of dependent variables of capital adequacy (CA) and independent variables board representation (BREP), board size (BSIZ), audit committee independence (AUDI), board activism (BACT) and audit committee meeting (AUDM) will be formulated. The regression models are presented as follows;

Pooled regression model specification

$$CA_t = \gamma_0 + \gamma_1 BREP_t + \gamma_2 BSIZ_t + \gamma_3 AUDI_t + \gamma_4 BACT_t + \gamma_5 AUDM_t + u_t \quad (3.15)$$

Where:
CA = Capital Adequacy
BREP = Board Representation
BSIZ = Board Size

AUDI = Audit committee
BACT = Board activism
AUDM = Audit committee meeting

A Prior Expectation
Model 1 = $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$, $\beta_4 > 0$, $\beta_5 > 0$.
This implies that the independent variables of board representation, board size, audit committee independence, board activism and audit committee meeting are expected to have a positive effect on the dependent variable (capital asset).

Methods of Data Analysis
This study employs panel data analysis. Thus, we started with descriptive statistics to ascertain the general properties of the data which included the mean, median, standard deviation, skewness etc. Thereafter the correlation matrix was carried out to show the interactions among study variables. The panel unit root test was conducted to determine the appropriateness of the data which qualifies it for use in regression analysis. We ran the fixed and random effect model estimations in order to establish the possible effect in each model. The Hausman test was used to decide between fixed or random effect models

Results and Discussions
The regression analysis result using the panel random regression evaluates the effect of corporate governance on capital adequacy component of the CAMELS ratings of Domestic Systematically Important Banks in Nigeria. Board representation, board size, audit committee independence, audit committee meeting and board activism are all different aspects of corporate governance examined in the study and they serve as the independent variables. On the other, capital adequacy serves as the dependent variable of the study.

From the first model estimates, we noticed a positive relationship between board representation, audit committee independence and capital adequacy of domestic systemically important banks in Nigeria. The relationship is statistically significant at 5% level for board representation and statistically insignificant for audit committee independence. For board size, audit committee meetings and board activism, the results show a negative relationship. The relationship is statistically significant only for board size while audit committee meetings and board activism are not statistically significant at 5%.

A look at the global probability estimates, the decision rule is that if the calculated probability estimate is greater than 0.05, we reject the null hypothesis, otherwise we do not reject. Therefore, the result of the statistics shows a probability value of 0.0003581. This is less than 0.05, our preferred level of significance. This implies that there is a statistically significant relationship between board representation, board size, audit committee independence, board activism, audit committee meetings and capital adequacy of the domestic systemically important banks in Nigeria. This collaborates with the Agency theory of Jensen and Meckling, (1976) and Fama and Jensen (1983). They found that corporate governance helps owners to exert control over corporate performance. Corporate governance mechanisms have given powerful positions to owners to manage corporate executives and non-executive directors. This result is consistent with the findings of Matins and Osemudiamen (2019), Adedeji, Elijah and Ajulo (2020) and Basar, Bouteska and Eski (2021).

This finding is in line with the a priori expectation that the independent variables of board representation, board size, audit committee independence, board activism and audit committee meetings have a positive effect on capital adequacy.

Conclusion and Recommendations

Recognizing the role and significance of banking firms' corporate governance practices on their overall performance, the study sets out to investigate the effect of corporate governance on the performance of the banking firms with a focus on capital adequacy component of the CAMELS ratings of Domestic Systematically Important Banks. The Random Panel Regression was employed to carry out the econometric analysis.

From the results of both descriptive and econometric analyses, it is clear that corporate governance exerts a significant influence on the performance variables of commercial banks. From the result of the Regression analysis, we draw the conclusion that board representation board size, audit committee independence, audit committee meetings and board activism significantly affects the capital adequacy of domestic systemically important banks in Nigeria. Also, board representation has a positive and significant influence on the capital adequacy of the domestic systemically important banks. This implies that an increase in the number of non-executive directors with broader and more divergent knowledge of the economy enhances the capital adequacy of the banks.

There is also a significant relationship between board representation board size, audit committee independence, audit committee meetings, board activism and asset quality of banks.

The wealth of knowledge employed from board representation and qualitative composition of the audit committee also enhanced the quality of bank assets of the domestic systemically important banks in Nigeria.

Based on the above findings, the study asserts that increased bank performance ability significantly derives from good governance and, therefore, recommends maintaining adequate governance mechanisms to ensure that banks are profitably managed.

1. There should be optimal sustenance of the existing board representation and should be altered when objectively necessary. Independent directors are known to bring a diversity of knowledge as well as monitor, control and oversee the strategic vision of the banks.

2. The engagement of foreign directors would build the necessary diversity/inclusion that will encourage the desired global competitiveness of the domestic systemically important banks in Nigeria.

3. Board size should be maintained at an optimal level in order to attract more knowledge and financial resources that can be beneficial in enhancing capital adequacy.

References

Abbot, L. J., Parker, S and Peters, G. F., (2004). Audit committee characteristics and restatements. *Auditing: A journal of o Practice and Theory,* 23, 69-87

Abdullah, S. N., Nasir, M. N., (2004). Accrual management and the Independence of the board of directors and audit committees. IIUM *Journal of Economics and Management* 12(1), 49-80.

Abdul-Qadir, A. B., & Kwanbo, M. L. (2012). Corporate governance and financial performance of banks in the post-consolidation era in Nigeria. *International Journal of Social Sciences and Humanity Studies,* 4(2), 27-36.

Abiding, N.A.Z., & Ahmad. H.N (2012). Corporate governance in Malaysia: the effect of corporate reform and state business relation in Malaysia. *Asian Academy of Management Journal*, 12(1) 23-34

Abod, J. M. (1990). Does performance-based managerial compensation affect corporate performance? Industrial & Labor Relations Review, 43, 52S-73S.

Access Bank Plc 2020 Annual report. Corporate governance structure. https://www.accessbankplc.com/AccessBankGroup/media/Investors/Annual-Reports/Annual-Report-2020.pdf

Adam, R. and Mehran, H. (2003). Is corporate governance different for bank holding companies? Economic Policy Review, 9, 123-142.

Adams, R, and Ferreira, D. (2007). A theory of friendly boards, *Journal of Finance*, 62(1), 217–250

Adebayo, A., Ringim, K. and Shaibu, H. (2022). Effect of board characteristics on financial performance of listed Nigria deposit money bank. *International Journal of Management, Social Sciences, Peace and Conflict Studies (IJMSSPCS),* 5(1) . 307- 318; ISSN: 2682-6135

Adedeji, E. A. & Ajulu, B. O. (2020). Impact of corporate governance on the performance of selected banks in Nigeria. https://dj.univ-danubius.ro/index.php/JAM/article/view/306/1307

Adekunle, S. A., & Aghedo, E. M. (2014). Corporate governance and financial performance of selected quoted companies in Nigeria. European Journal of Business and Management, 6(9), 4-16. Retrieved from https://www.iiste.org/Journals/index.php/EJBM/article/view/11758/12113

Adigwe, P., Onyenwe, N. and John, E. (2016). Effect of corporate governance mechanism on the financial performance of banks in Nigeria. *NG-Journal of Social Development*, 5 (2).

Ajala, O. A., Amuda, T., & Arulogun, L. (2012). Evaluating the effects of corporate governance on the performance of the Nigerian banking sector. Review of Contemporary Business Research, 1(1), 32-42. Retrieved from http:// rcbrnet.com/journals/rcbr/Vol_1_No_1_December_2012/4.pdf

Akiyomi, O. J., & Olutoye, E. A. (2015). Corporate governance and profitability of Nigerian banks. Asian Journal of Finance and Accounting, 7(1), 172-182. https://doi.org/10.5296/ajfa.v7i1.6543

Akingunola, R. O., Adekunle, O. A., Adegbesan, K. J., & Aninkan, O. O. (2013). Microfinance banks and entrepreneurship development in Nigeria: a case of Ogun State. *European journal of business and management*, 5(28), 100-110.

Alonso, P.A. and Gonzalez, E.V. (2016). Corporate governance in banking: the role of board of directors, Working Paper 06/4, Department of Business Economics, Universitat Autonoma de Barcelona, Barcelona, June, available at: http://selene.uab.es/ dep-economiaempresa/documents/

Alzoubi, E. S. S., and Selamat, M.H. (2012). The effectiveness of corporate governance mechanism on constraining earning management: Literature review and proposed framework. *International journal of global business*, 5 (1), 17-35

Ammann, M., Oesch, D. and Schmid, M.M. (2011). Corporate governance and firm Value: international evidence. *Journal of Empirical Finance,* 18(1) 36-55.

Andert, D. M. (2013). An analysis of the changing role of corporate governance regarding the awareness, valuing, and utilization of human resource development trends at the board of directors' level of an organization: A descriptive, exploratory analysis. The George Washington University.

Antle, R. & Smith, A. (1986). An empirical investigation of the relative performance evaluation of corporate executives. *Journal of Accounting Research*, 24, 1-39.

Aremu, S. (2010). Corporate governance and merger activity in the Nigerian banking sector. J Economic, 1(2):91-97

Arouri, H., Hossain, M., and BadrulMattakin, M. (2011). Ownership structure, corporate governance and bank performance: evidence from GCC countries. Corporate Ownership and Control, 8(4), 365-370.

Atuanya, P. (2013). Central Bank of Nigeria designates 8 Nigerian banks as too big to fail. Business Day, Thursday 14th Nov, 2013.https://www.rimanng.org/index.php/articles/40

Avkiran, N. K. (2008). Developing an instrument to measure customer service quality in branch banking. *International Journal of Banks Marketing*, Vol. 12(6), pp. 10-18. Bangladesh Bank, Annual report, 2006

Ayinde, (2002). Audit committee: history and evolution. Presented at a national seminar on enhancing audit committee effectiveness, organized by ICAN Lagos.

Ayorinde, A. O., Toyin, A., & Leye, A. (2012). Evaluating the effect corporate governance on the performance of the Nigerian banking sector. Review of Contemporary Business Research, 1(1), 32-42. Retrieved from http:// rcbrnet.com/vol-1-no-1-december2012-abstract-4-rcb

Bank of International Settlements (BIS) (2013). Basel committee of banking supervision (BCBS) on global systemically important banks: Assessment methodology and the additional loss absorbency requirement accessed from https://bis.org/publ/bcbs255. pdf

Bank of International Settlements (BIS) (2013). Basel committee of banking supervision (bcbs) on global systemically important banks: assessment methodology and the additional loss absorbency requirement accessed from https://www.bis.org/publ/ bcbs255.pdf.

Basar, B., Bouteska, A. & Eksi, I. (2021). The effect of corporate governance on bank performance: evidence from Turkish and some MENA country banks. *Journal of Asset management* 22, 153-162

Basel Committee on Banking Supervision (2019). Scope and definitions of domestically important banks. Bank for international settlements. https://www.bis.org/basel_ framework/chapter/SCO/50.htm?inforce=2019010&export=pdf&pdfid=0

Basuony, M., Mohamed, E. and Badawi, A. (2014). The impact of corporate governance on firm performance in Egyptian listed companies, corporate ownership and control, 11(1), 691-705.

Beasley, M.S. (1996). Empirical analysis of the board, the relation of financial between composition statement of fraud. *The accounting review,* 71(4), 443-465

Bebeji, A., Mohammed, A. and Tanko, M. (2015). The effect of board size and composition of the financial performance of banks in Nigeria. *African Journal of Business management,* 4(3) 600-625

Benston, G. & Smith, C. (1976). A transaction cost approach to the theory of financial intermediation. *The Journal of Finance,* 31(2), 215-231

Bezawada, B. (2020). Corporate governance practices and bank performance: evidence from Indian banks. Indian *Journal of Finance and Banking 4 (1), 33-41.*

Blair, M. M. (1995). Rethinking assumptions behind corporate governance. Challenge, 38(6), 12-17.

Boussaada, R., & Karmani, M. (2015). Did board of directors have an impact on MENA bank performance? International Journal of Economics and Finance, 7(4), 46-56. https://doi.org/10.5539/ijef. v7n4p46

Bushee, B., Carter, M. E., Gerakos, J., 2007. Institutional investor preferences for corporate governance mechanisms. Wharton financial institutions center working paper series.

Byrnes, D. and Thornton, H. (2003). Reforms: whose making grades. A performance review of CEO's , Boards, Analysts, and Others. Business Week

Cadbury Committee (1992). Report of the committee on the financial aspects of corporate governance, gee publishing, London

Cadbury, C. (1992). The report of the committee of the financial aspects of corporate governance. London

Carcello, J. V, & Neal, T. L. (2000). Audit committee composition and auditor reporting. *The accounting review,* 75(4), 453-467.

Carcello, J., Hermanson, D.R, Neal, T.L & Riley, R. (2002): Board characteristics and audit fees. *Contemporary Accounting Research* (Fall): 365-384.

Carline, N., Linn, S. and Yadav, P (2012). The influence of managerial ownership on real gains in corporate mergers and market regulation of merger partners: empirical evidence, EFA Berlin meetings discussion paper, available at SSRN: http://ssrn.com/abstract=302606

Central bank of Nigeria (2016, 2017, 2018). Annual reports. Central Bank of Nigeria corporate head office, central business district, Abuja.

Central bank of Nigeria (2016, 2017, 2018). Annual reports. Central Bank of Nigeria corporate head office< central business district, Abuja.

Central bank of Nigeria (2016, 2017, 2018). Annual reports. Central Bank of Nigeria corporate head office, central business district, Abuja.

Central Bank of Nigeria Code of Corporate Governance https://www.cbn.gov.ng/out/2014/fprd/circular%20on%20code%20of%20circular%20on%20corporate%20governance%20and%20whistle%20blowing-may%202014%20(3).pdf

Chen, Y., Shi, Y., Wei, X., & Zhang, L. (2014). Domestic systemically important banks: A quantitative analysis for the Chinese banking system. Mathematical problems in engineering. http://dx.doi.org/10.1155/2014/819371

Cheng. (2018). Board size and the variability of corporate performance, *Journal of Financial Economics*, 87, 157–176

Ciancanelli B. and Reyes H (2001). Corporate governance in banking: A conceptual framework. SSRN working papers.

Clarkson, M., Starik, M., Cochran, P., & Jones, T. M. (1994). The Toronto conference: Reflections on stakeholder theory. *Business and society*, 33(1), 82.

Coffee Jr, J. C. (1991). Liquidity versus control: The institutional investor as corporate monitor. 1 (91), 1277.

Conger, J., Lawler, E. E., 2009. Sharing leadership on corporate boards: A critical requirement from teamwork at the top. Retrieved from SSRN e-Library: http://ssrn.com/paper=1313353

Cremers, K.J.M. and Ferrell, A. (2014). Thirty years of corporate governance: valuations and stock returns, Yale school of management and harvard law school.

Dahya, J., and McConnell, J. J. (2005). Outside directors and corporate board decisions. *Journal of corporate finance,* 11(1-2), 37-60

Dalton, D., Daily, C., Ellstrand, A. and Johnson, J. (1998). Meta-analytic reviews of board composition, leadership structure, and performance. *Strategic Management Journal*, 19(1), 269–290.

Dang, U. (2011). The CAMEL rating system in banking supervision: A case study. Thesis, submitted to Arcada University of Applied Sciences. International Business School.

Dash, M., & Das, A. (2009). A CAMELS analysis of the Indian Banking Industry. Retrieved May 24, 2011, from Social Science Research

Datta, R. K. (2012). CAMELS Rating system analysis of Bangladesh bank in accordance with BRAC Bank Limited.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. Academy of management review, 22(1), 20-47.

Demsetz, H., and Lehn, K. (2015). The structure of corporate ownership: causes and consequences, *Journal of Political Economy*, 93(1), 1155-1177.

Denis, D. K. and McConnelll, J.J. (2003). International corporate governance, *Journal of Financial and Qualitative Analysis*, 38 (1) 2-6

Dent Jr, G. W. (2007). Academics in wonderland: The team production and director primacy models of corporate governance. Hous. L. (44), 1213.

Deyoung, R., Flannery, M. J., Lang, W. W. & Sorescu, S. M. (2001). The information content of bank exam ratings and Subordinated Debt Prices. *Journal of Money*, *Credit and Banking*, 33(4): 900-925.

DeZoort, F. T., & Salterio, S. E. (2001). The effects of corporate governance experience and financial reporting and audit knowledge on audit committee members' Judgements. *Auditing: Journal of practice & theory, 20(2), 31-47.*

Diamond, D. (1984). Monitoring and reputation: the choice between bank loans and directly placed debt. .*Journal of Political Economy*, 99, 689-721.

Diamond, D., & Dyvig, P. (1983). Bank runs, deposit insurance and liquidity. *Journal of Political Economy*, 91, 401-419

Diamond, D. & Rajan, R. (2000). A theory of bank capital. *The journal of Finance,*55(6), 2431-2465.

Donaldson, L. & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16, 49- 64.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of management Review,* 20(1), 65-91.

Dosekun, K. & Senbore, O. (2019). Banking regulation in Nigeria: Overview. Thomson Reuters.https://uk.practicallaw.thomsonreuters.com/w-007-9148?transitionType=Default&contextData=(sc.Default)7firstpage=true&bhcp=1

Douglas, E., Lont, D and Scott, T. (2019). Finance company failure in new Zealand during 2006-2009: predictable failures?, *Journal of Contemporary accounting and Economics,* 10 (3) 277-295.

Ene, E. E., & Bello, A. I. E. (2016). The effect of corporate governance on bank's financial performance in Nigeria. IOSR Journal of Business and Management (IOSR-JBM), 18(11), 99-107. Retrieved from https://pdfs.semanticscholar.org/b355/7a1dc4448d4979e94582332d7d4 407adc50f.pdf

Epstein, M. J., Jones, J. H., Roy, M. R., 2002. Measuring and improving the performance of corporate boards. *Strategic management accounting practices* (CMA Canada).

Erickson, J., Park, Y., Reising, J. Shin, H. (2005). Board composition and firm value under concentrated ownership: The Canadian evidence. *Pacific-basin Finance Journal*, 13(4), 387- 410.

Erkens, D.H., Hung, M. and Matos, P. (2014). Corporate governance in the 2007-2008 financial crisis: evidence from financial institutions worldwide. *Journal of Corporate finance*, 18 (2) 389-411.

Ezzamel, M., & Watson, R. (1993). Organizational form, ownership structure and corporate performance: A contextual empirical analysis of UK companies 1. *British Journal of Management*, 4(3), 161-176.

Fallatah, Y., & Dickins, D. (2012). Corporate governance and firm performance and value in Saudi Arabia. African Journal of Business Management, 6(36), 10025- 10034. Retrieved from https:// academicjournals.org/article/article1380795217_Fallatah%20and%20 Dickins.pdf

Fama, E., Jensen, M., 1983. Separation of ownership and control. *Journal of Law and Economics* 26, 301-325.

Fama, E.F. (1980). Agency problems and the theory of the firm. *Journal of Political Economy*, 88(2, April): 288– 307.

Fernandes, C., Farinha, J. & Mateus, C. (2021). The impact of board characteristics and CEO power on banks' risk-taking: stable versus crisis period. *Journal of Banking Regulations*. https://www.ncbi.nlm.nih.gov>pmc

Filip, F., Vesna, M., & Kiril, S. (2014). Corporate governance and bank performance: Evidence from Macedonia. Economic Analysis, 47(1-2), 76-99. Retrieved from https://www.researchgate.net/publication/313640657_Corporate_Governance_and_Bank _Performance_ Evidence_from_Macedonia

Financial Services Board (FSB), (2010). Reducing the moral hazard posed by systemically important financial institutions: FSB recommendations and time lines accessed from https://www.fsb.org/wp-content/uploads/r 10111a.pdf?page moved=1

First Bank of Nigeria 2020 Annual Report. Corporate governance structure. https://www.fbnholdings.com/investor-relations/annual-report/annual-reports/

Firth, M., Tam, M. & Tang, M. 1999. The determinants of top management pay. Omega, 27, 617-635. GHOS

Florackis, C., Ozkan, A., 2004. Agency costs and corporate governance mechanisms: evidence for UK Firms. Working Paper, University of York, UK.

Forbes, D. P., Milliken, F. J., 1999. Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. The academy of management review 24(3), 489-505. Goshi, et al., 2002

Freeman, R. B. (2008). Longitudinal analyses of the effects of trade unions. *Journal of labor Economics,* 2(1), 1-26.

Ganesan (2003). Internal audit and corporate governance. Accounts today, December 2003.

Georgantopoulous, A. & Filos, J. (2017). Corporate governance mechanisms and bank performance: evidence from the Greek banks during crisis period. *Journal of Investment management and financial innovations 14 (1).*

Gibbons, R. & Murphy, K. J. (1990). Relative performance evaluation for chief executive officers. industrial and labor relations review, 43, 30-51.

Gilbazo, J., & Pablo, R. (2019). The relation between price and performance in the mutual fund industry. *The Journal of finance,* 64, 2153-2183.

Glantz, M. (2003). Managing bank risk: An introduction to broad base credit engineering. Academic press London .ISBN-13: 978-0-12-285785-0

Goshi, et al., (2002). Board structure, executive compensation and firm performance. Evidence from India. Mumbai, India. Indra Ghandi institute of development research.

Granty Trust Bank Plc 2020 Annual report. Corporate governance structure. https://www.gtbank.com/uploads/annual-reports/2020-annual-report/2020-Annual-Report.pdf

Gu, Y. & Zhu, S. (2015). Assessment of systemically important banks – A Review. *International Journal of Business and Social Science*. 6(9): 132-139

Gunsel, N. (2005). Financial ratios and the probabilistic prediction of bank failure in North Cyprus. *Editorial advisory board e,* 18(2), 191-200.

Gurley, J. G., & Shaw, E. S. (1960). Money in a theory of finance, Brookings.

Guttentag, J. M., and Lindsay, R. (1968). The uniqueness of commercial banks. *Journal of Political Economy*, 71, 991-1014.

Hassan, A., (2012). The value proposition concept in marketing: How customers perceive the value delivered by firms-a study of customer perspectives on supermarkets in Southampton in the United Kingdom. *International Journal of marketing studies*, 4(3), 68.

Hawley, J. P., & Williams, A. T. (1996). Corporate governance in the United States: the rise of fiduciary capitalism. School of economics and business administration.

Hebble, A. and Ramaswamy, V. (2005). Corporate governance and firm characteristics (The Sarbanes-oxley Act of 2002). *Journal of business & Economics Research* (JBER), 3(5)

Heidrick, S. (2007). 10th Annual corporate board effectiveness study. Retrieved from http://www.heidrick.com

Herbert, w. i. & Agwor, T. C. (2021). Corporate governance disclosure and corporate performance of Nigerian banks. *Journal of Research in Emerging Markets.* ISSN: 2663-905X. https//doi.org/10.30585/jrems.v3i3.674

Hermalin, B.E., & Weisbach, M.S. (1988). The determinants of board composition. Rand *Journal of Economics*, 19(4), 589-606

Howard, C. (2014). Basel III's corporate governance impact: How increased banking regulations pose challenges to corporate compliance while simultaneously furthering stakeholder objectives. *Journal of Law and Governance*, 9(1), 39-50. https://doi.org/10.15209/jbsge.v9il.612

Hsu, H.-H., and Wu, C. Y. (2013). Board composition, grey directors and corporate failure in the UK. *The British Accounting Review*.

Htay, S.N.N. (2015). Better boards towards higher profitability. *World review of business research,* 2 (2) 149-163.

Huang, C.-J. (2015). Board, ownership and performance of banks with a dual board system: evidence from Taiwan, *Journal of Management & Organization*, 16(2), 219-34.

Huson, M. (2011). Internal monitoring and CEO turnover: A long-term perspective, *Journal of Finance*, 56(6), 2265-2297

Ibrahim, J., Adesina, K. and Olufowobi, T. (2018). Corporate governance and return on asset of quoted banks in Nigeria. *International Journal of Business and Management Review*, 6(10), 1-13.

Iheanyi, I. H. & Sotonye, I. (2017). Assessing the performamce of Nigeria's Bank through camel model. *Journal of Accounting and Financial Management*, 3(1),14-22.

IIhomovich, S.E. (2009) Factors affecting the performance of foreign banks in Malaysia. Master Thesis, University of Utara Malaysia.

Isik, O., & Ince, A. (2016). Board size, board composition and corporate performance: an investigation on Turkish banks. *International business research*, 9(2), 74-84. https://doi.org/10.5539/ibr. (9)2.74

Jaffar, M. and Manarvi, I. (2011). Performance comparison of Islamic and conventional banks in Pakistan. *Global Journal of Management and Business Research,* 11, (1) 60-66

Jensen, M. C. (1993). The moderm industrial revolution, exist and failure of internal control systems. *The Journal of Finance*, 48(3), 831-880

Jensen, M., and Meckling, W. (1976). Theory of the firm: managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, 3(1), 305-360.

John, E. I., & Ibenta, S. N. (2016). Corporate governance and the performance of Nigerian banks. International Journal of Economics, Finance and Management Sciences, 4(2), 39-45. https://doi. org/10.11648/j.ijefm.20160402.11

John, K., Senbet, L. W., 1998. Corporate governance and board effectiveness. *Journal of Banking and Finance* 22, 371-403.

Johnson, G., Scholes, K., and Whittington, R. (2008). Exploring Corporate Strategy, 8th Edition. Essex, England: Pearson Education Limited.

Junaidu, M. (2015). Corporate governance practices: an overview of the evolution of corporate governance codes in Nigeria. *International Journal of Business and Law Research* 3(3): 49-65

Kaitapiwat, W. (2010). Controlling shareholders, audit committee effectiveness and earnings quality: the case study of Thailand, Doctoral thesis, Maryland University, Maryland.

Kala, S. (2005): Corporate governance. *Advance in public interest accounting*, 11, 1-11

Kim, H., & Lim, C. (2010). Diversity, outside directors and firm valuation: Korean evidence. *Journal of Business research*, 63(3), 284-291

Kutubi, S. S. (2001). Board of director's size, independence and performance: An analysis of private commercial banks in Bangladeshi. World Journal of Social Sciences, 1(4), 159-178. Retrieved from https:// www.researchgate.net/publication/228519192_Board_of_Director's_Size_Independence _and_Performance_An_Analysis_of_Private_ Commercial_Banks_in_Bangladesh

Krishnan, J. and Visvanathan, G. (2008). Does the sox definition of accounting expert matter? The association between audit committee directors' accounting expertise and accounting conservatism. *Contemporary Accounting Research,* 25, 827-857.

Kyereboah-Coleman, A., & Biekpe, N. (2006a). Do boards and CEOs matter for bank performance: A comparative analysis of banks in Ghana. http://dx.doi.org/10.22495/ cocv4i1p10 43.

Kyereboah-Coleman, A. (2007b). Corporate governance and firm performance in Africa: A dynamic panel analysis. Paper prepared for the International Conference on Corporate Governance in Emerging Markets, Global Corporate Governance Forum (GCGF) and Asian Institute of Corporate Governance (AICG). Sabanci University, Istanbul, Turkey. Retrieved from https://pdfs.semanticscholar.org/14ae/1ccbacaced1dce 3c9003b61e3f73b1cee543.pdf

Lacker, D. (2007). How important is corporate governance? Working paper university of Pennsylvania. The Kiharton School.

Leblanc, R., Gillies, J., 2003. The coming revolution in corporate governance. *Ivey Business Journal*.

Lehman, E. and Weigand, J. (2000). Does the governed corporation perform better? Governance structures and corporate performance in Germany. European Finance Review, 4, 157-195. Kluwer Academic Publishers: The Netherlands.

Leland H., and Pyle, D. (1977). Informational asymmetries, financial structure and financial intermediation, *Journal of Finance*, 32, 371–387.

Leonard, J. S. (1990). Executive pay and firm performance. Industrial and labor relations review, 43, 13S29S

Levrau, A., Van den Berghe, L. A. A., (2007). Corporate governance and board effectiveness: Beyond formalism. *ICFAI Journal of Corporate Governance* 6(4), 58-85.

Lipton, M., Lorsch, J. W., (1992). A modest proposal or improved corporate governance. Business Lawyer 48, 59-77.

Mak, Y. T., Yuanto, K., 2003. Board size really matters: further evidence on the negative relationship between board size and firm value. Pulses by Singapore stock exchange. Financial management and accounting, 12(3), 235-259.

Mak, Y., and Yuanto, K. (2013). Board size really matters: further evidence on the negative relationship between board size and firm value, pulses by Singapore stock exchange

Mamum, S.A.A. and Kamardin, H. (2015). Corporate voluntary disclosure practices of banks in Bangladesh. Social and behavioral sciences, 164, 258-263

Mangena, M., & Tauringana, V., (2008). Corporate boards, ownership structure and firm performance in an environment of severe political and economic uncertainty. British Accounting Association Conference, April 2008, Blackpool.

Manaseer, M. F. A., Al-hindawi, R.M., Al-Dahiyat, M. A. and sartawi, I. I. (2012). The impact of corporate governance on the performance of Jordanian banks. *Journal of Scientific Research*, 67 (3) 349-359.

Martins, O. and Osemudiamen, O. (2019). Board size and corporate performance of quoted commercial banks in Nigeria. *International Journal of Research Granthaalayah.* 7(1), 2394-3629

McKinsey (2002). Corporate governance is at the heart of investment decisions. Global investor opinion survey: key findings, July 2002(www.mckinsey.com/governance).

Merton, R. C. (1995). Financial innovation and the management and regulation of financial institutions. *Journal of Banking and Finance*, 461-482.

Modigliani, F. & Miller, M. H. (1958). The cost of capital, corporation finance and the theory of investment. *The American economic review,* 48(3), 261-297.

Mohamed, E., Basuony, M. and Badawi, A. (2014). The impact of corporate governance on firm performance in Egyptian listed companies. *Corporate ownership and control*, 11(1), 691-705.

Mohamed, S. and Sori, M. Z. (2011). An overview of corporate governance: Some essentials. *SSRN Electronic Journal*. DOI:10.2139/ssrn.1817091

Mohammed, A. (2012). The concept of corporate governance in Sharia. *European business law review*, 20(2), 343-68.

Morton, G., Moody, K.M. & Mun, J. (2003). Managing bank risk: An introduction to broad-base credit engineering. Academic press. ISBN-13: 978-0-12-285785-0, 375-378

Muhamad, S. N. & Hashim, H. A. (2017). The interaction effect of corporate governance and camel framework on bank performance in Malaysia. *Afro-Asian* Journal of finance and Accounting 7 (4), 317-399.

Mullineux, A. (2006). The corporate governance of banks, *Journal of Financial Regulation and Compliance*, 14(14), 375-382.

Nimalathasan, B. (2008). A comparative study of financial performance of banking sector in Bangladesh–an application of CAMELS rating system. *Economic and administrative series*, 2, 141-152. 18.

Ntim, C. G., (2009). Internal corporate governance and firm financial performance: evidence from South African listed firms. PhD thesis, University of Glasgow.

Olokoyo, F. O., Adegboye, F. B., Okoye, L. U., Evbuomwan, G. O., & Adebo, A. E. (2019). Corporate governance and deposit money banks performance in Nigeria. In Proceedings of INTCESS 2019 – 6th International Conference on Education and Social Sciences. Dubai, UAE. Retrived from http:// www.ocerints.org/intcess19_epublication/papers/213.pdf

Okafor, H. O. & Asuzu, O. C. (2018). The impact of prudential measures on the performance of DMBs in Nigeria. *Economic and Financial review,* 56(1): 26-41

Okafor, H.O. & Asuzu, O. C. (2018). The Impact of prudential measures on the performance of DMBs in Nigeria. *Economic and financial review,* 56(1): 26-41

Okonkwo, J. J., Azolibe, C. B. & Nwadibe, E. (2019). Corporate governance and bank performance in Nigeria: an empirical study. *European Scientific Journal. 15(28).* ISSN: 1587-7881

Olabisi, J. & Omoyele, O. (2011). Corporate governance and the performance of Nigerian Banking sector. *International journal of Development and management.* Corpus ID: 153548700

Olaoye, F. & Kolawole, A. (2020). Financial information and stock price changes: a case of systemically important banks in Nigeria. *African Journal of Business and Economic Research,* 15 (2), 73-88

Onyema, J. I. & Precious, O. (2019). Financial soundness of deposit money banks in Nigeria: the camels model approach. *Journal of Finance and Marketing*, 3(1), 22-25.

Orozco, L. A., & Vargas, J. (2018). Trends on the relationship between board size and financial and reputational corporate performance: The Colombian case. European Journal of Management and Business Economics, 27(2), 183-197. https://doi.org/10.1108/ EJMBE-02-2018-0029

Ozili, P. & Uadiale, O. (2017). Ownership concentration and bank profitability. *Future Business Journal*, 3(2), 159-171.

Panasian, C., Prevost, A. K., Bhabra, H. S., (2003). Board composition and firm performance: The case of the dey report and publicly listed Canadian firms.

Pathan, S., Skully, M., & Wickremanayake, J. (2007). Board size, independence and performance: An analysis of Thai banks. Asia-Pacific Financial Markets, 14, 211-227. http://dx.doi. org/10.1007/s10690-007-9060-y

Pearce, M. & RoBinson, E. K. (2005). Strategic management: Formulation, implementation, and control (9th eds.). New York, NY: McGraw Hill.

Peni, E. and Vahamaa, S. (2011). Did good corporate governance improve banks performance during financial crisis? *Journal of Financial Services Research*, 41, (1-2), 19-35

Peterson, E. T. (2006). The big book of key performance indicators. Web analytics demystified. 22.

Pfeffer, J. (1972). Size and composition of corporate boards of directors: The organization and its environment. *Administrative science quarterly*, 17 ((2)), 21 8-229.

Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: A resource dependence perspective. New York: Harper & Row.

Pi, L. and Timme, S. (2019). Corporate control and bank efficiency, *Journal of Banking and Finance*, 17, 515-530.

Porter, M. E. (1992). Capital choices: changing the way America invests in industry. *Journal of Applied Corporate Finance*, 5(2), 4-16.

Pound, J. (1993). The rise of the political model of corporate governance and corporate control. NYUL Rev., 68, 1003.

Prabowo, M., Simpson, J., 2011. Independent directors and firm performance in family controlled firms: Evidence from Indonesia. *Asian- Pasific economic literature* 25(1), 121-132.

Raghunandan, K. & Rama D. (2007). Determinants of audit committee diligence. *Accounting Horizons,* 21(3), 265-280.

Raihan, M. Z., & Hoque, K. E. (2013). Impact of corporate governance practices in some selected private banks in Bangladesh. Actual Problems of Economics, 11(149), 484-493. Retrieved from https://umexpert. um.edu.my/public_view.php?type= publication&row=MjkzOTE%3D

Raiyani, J. R. (2010). Effect of mergers on efficiency and productivity of Indian banks: A CAMELS analysis. 23

Renders, A., Gaeremynck, A. and Sercu, P. (2010). Corporate-governance ratings and company performance: a cross-European study: Corporate governance: *an international review.*

Research Methodology. (2017). Research philosophy - research methodology. (online) Available at: http://research-methodology.net/research-philosophy /[Accessed 26 Jun. 2017].

Rozzani, N., & Rahman, R. A. (2013). Camels and performance evaluation of banks in Malaysia: conventional versus Islamic. *Journal of Islamic Finance Bus Res,* 2(1), 36-45.

Salhuteru, F. and Wattimena, F. (2015). Bank performance with CAMELS ratios towards earnings management practices in state banks. *Advances in Social Sciences Research Journal*, 2(3) 301-314.

Salhuteru, F. and Wattmena, F. (2015) Bank Performance with CAMELS ratios towards earnings management practices in state banks and private banks. *Advances in Social Sciences Research Journal*, 2 (3) 301-314

Sangmi, M-u-D. and Nazir, T.(2010) Analyzing financial performance of commercial banks in India: application of CAMEL model. *Pakistan Journal of Commerce and Social Science*, 4 (1) 40-55

Sarker, A. (2005). CAMELS rating system in the context of Islamic banking: A proposed 'S' for Shariah framework. *Journal of Islamic Economics and Finance*,1(1), 78-84.

Saunders, M., Lewis, P. & Thornhill, A. (2012). Research methods for business students. 6th edition, Pearson education limited.

Saunders, M.N., (2011). Research methods for business students. 5/e. Pearson education India.

Securities and Exchange Commission code of corporate governance for public companies https://sec.gov.ng/code-of-corporate-governance-for-public-companies_may-12-2014/on of chapter 2

Shamsher, M. (2002). Corporate governance: The Malaysian perspective. C*hartered secretary Malaysia,* 9-22

Shamsudden, A. (2019). Risk management and corporate governance: evidence from Islamic and Conventional Banks. *Journal of Corporate Finance, Elsevior*, 55, 105-140

Shamsudin, S. (2017). Malaysian code of corporate governance and tax compliance: evidence from Malaysia. *Management & accounting Review.* 16(2)

Shivaani, M. V., Jain, P. K., & Yadav, S. S. (2017). Perceptual Mapping of Capital Budgeting Techniques: Empirical Evidence from Corporate Enterprises in India. Research Bulletin, 42(4), 106-112. Retrieved from http://www.icmai-rnj.in/index. php/rb/article/view/111594

Shleifer, A. and Vishny, R. (1986). Large shareholders and corporate control*, Journal of Political Economy,* 94(1), 461-488.

Shukla, S.S. (2015). Analyzing financial strength of public and private sector banks: a CAMEL approach. *Pacific Business review International,* 7 (8), 44-50

Singhal, M. (2014). Agency costs, ownership structures and corporate governance mechanisms. *Journal of Banking and Finance*, 27, 793–816.

Soni, R. (2012). Applicability of CAMELS rating for supervisory regulation of the Indian Banking System. *Vishwakarma Business Review,* 2(2), 14-20. 33.

Sorescu, S. M. (2001). The information content of bank exam ratings and subordinated debt prices. *Journal of Money, Credit and Banking*, 33(4): 900-925.

Spong and Sullivan (2017) reveal that boards of directors are likely to have a more positive effect on community bank performance when directors have a significant financial interest in the bank.

Staikouras, P., Staikouras, C. and Agoraki, M. (2017). The effect of board size and composition on European bank performance, *European Journal of Law and Economics*, 23, 1-27

Stock of Exchange of Thailand (1999). Code of best practice for directors of listed companies, Section 1.1.2.

Sugiyanto, S. and Tukiyat, T. (2022). Financial contagion and good corporate Governance on bank companies performance in Indonesian stock exchange. *Economic and Accounting Journal) 4 (3), 164-178.*

Tahir, M. (2020). Corporate governance practices and its effect on corporate financial performance: A pragmatic evidence from Malaysia. *Paskistan Journal of Humanities*, *& Social Sciences Research.* 03, Issue No. 01.

Thuraisingam, M. R. (2013). The effects of corporate governance on company performance: Evidence from Sri Lankan financial services industry. Journal of Economics and Sustainable Development, 4(17), 103-109. Retrieved from https:// iiste.org/Journals/index.php/JEDS/ article/view/9017

Toby, A. J. (2006). Nigerian bank management, theory and practice. Pearl Publishers. ISBN 978 –978 – 49132 – 8 – 7

Tricker, R. I. (1996). Pocket director: The essentials of corporate governance from AZ. Profile Books.

Turnbull, S. (1997). Corporate governance: Its scope, concerns and theories. *Corporate Governance, 5(1*), 180-205.

United Bank for Africa Plc 2020 Annual report. Corporate governance structure.https://www.ubagroup.com/wp-content/uploads/2021/03/uba-2020-annual-report-and-accounts-mini.pdf

Vafeas, N. (2005). Audit committees, boards and the quality of reported earnings. *Contemporary accounting research,* 22(4), 1093-1122.

Vo, D., & Phan, T. (2013). Corporate governance and firm performance: Empirical evidence from Vietnam. Retrieved from http://digital.lib.ueh. edu.vn/handle/UEH/55153

Walker, G. (2008). Gaps in guidelines on audit committees. https://doi.org/10.1111/ j.1467-6281.2004.00156.x

Wang, W.K., Lu, W.M. and Lin, Y.L. (2012). Does corporate governance play an important role in BHC performance? Evidence from the US. *Economic modelling,* 29 (3), 751-760.

Wapmuk, S. E. (2016). Banking regulation and supervision in Nigeria: An analysis of the Effects of banking reforms on bank performance and financial stability. A thesis submitted to the University of Salford, Salford, UK in partial fulfilment of the requirements of the degree of doctor of philosophy.

Wild, J. (2006). The audit committee and earnings quality. *Journal of Accounting, auditing and Finance*, 11(2), 247-276

Wirnkar, A. D., & Tanko, M. (2008). CAMEL (S) and banks performance evaluation: the way forward. Retrieved May, 24, 2011.

Yang, J. & Krishnan, J. (2005). Audit committees and quarterly earnings management. *International Journal of Auditing*, 9(3), 201-219https://www.zenithbank.com/media/3262/annual-report-2020.pdf

Yusuf, B. R. & Tijani, J. (2019). An evaluation of financial health of Nigerian deposit money banks using CAMELS rating model. Annals of Dunarea de Jos University of Galati fascicle i economics and applied informatics 25(1):48-61 DOI:10.35219/ eai158404097

Zenith Bank Plc 2020 annual report. corporate governance structure.