CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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Abstract:
The study examined the financial performance and corporate governance of deposit money banks in Nigeria. The study made use of secondary data acquired from the selected Nigerian banks' audited financial statements during a ten-year period (2012-2021). Multiple linear regression analysis was used to assess the effect of the corporate governance variables on financial performance. According to the study, board size and board composition have a significant influence on returns on asset (ROA) and returns on equity (ROE). However the chief executive officers and audit committee have no significant impact on the return on asset and return on equity of money deposit banks in Nigeria. This means that banks should have a small board size since it will enable quick decision-making and cut out any unnecessary red tape. Members of the audit committee should also be given the freedom to accomplish their duties independently and without undue influence.

Keywords: Corporate Governances, Financial Performance, Board Size, Board Composition.

Introduction

Corporate governance has drawn a lot of interest throughout the globe because of the many benefits it provides. The management of the interests of all stakeholders is one of the many objectives served by effective corporate governance, which also includes making sure that customers are satisfied with the company's policies and services, that suppliers are paid on time, that employees are paid on time, and that the company continues to abide by legal requirements for things like occupational safety and health (Wagana & Karanja, 2017).

A corporation may retain its competitiveness by acquiring new customers, consumers, and sponsors by upholding a certain image due to corporate governance. Many enterprises, especially those in developing countries, find it difficult to obtain foreign finance as a result of corporate practises (Li & Minor, 2016). Because investors have trust in internal processes, companies with effective corporate governance practice have a greater probability of obtaining foreign financial investments on the global financial markets.

Good corporate governance is viewed as the solution globally for assuring the survival of companies and robust economies. The unethical and unlawful behaviour of some of the biggest American companies, such the Houston, Texas-based energy giant Enron, shocked many. Giving the directors huge yearly incentives and lavish allowances was part of these illegal practises, which ultimately led to the failure of the firms. Other companies throughout the world, like Parmalat, which was based in Italy, suffered from same issues (Ahmadi, Nakaa & Bouri, 2018).

Many underdeveloped countries now have thriving economies due to the local microfinance bank expansion. The financial services provided by these organisations, such as technical assistance and loans for business growth, have benefited the low-income people in these countries significantly. Additionally, the microfinance organisations provide low-income society's users with extra services that deposit money banks find difficult to provide.

These services include deposit products and financial services including saving, insurance, microloans, payment services, transfers, and remittances. People are becoming more open-minded to the concept of using corporate governance to address the problems facing their businesses in Africa as well. Discussions on financial performance for possible investors and partnerships with foreign investors among African businesses regularly touch on corporate governance issues.

Other financial institutions, including the predecessors of the present Union Bank of Nigeria Plc, quickly followed suit in the form of banks. These banks' practises were somewhat discriminatory towards the locals because they were essentially blocked off from the economy as a result of being denied credit advances at these institutions. This is because these banks were established to protect the interests of their foreign owners. The resulting estrangement served as fuel for the growth of Nigeria's completely indigenous banks. In total, 26 such banks were founded between 1929 and the year of independence in 1960; however, only four of them are still operational now. They are the National Bank of Nigeria, Wema Bank, and the African Continental Bank of the North (formerly known as Agbonmagbe Bank).

Due to the widespread public disquiet brought on by the string of indigenous banks failing, the government established the Paton's commission to look into one of these banks' failures. The 1952 banking law, which started the

country's banking legislation, was passed as a result of the commission's recommendations. This 1952 act was the first time that there were any legal standards for the construction and operation of banks. Any banking company operating within the country was prohibited unless it had a permit from the finance secretary. The statute handed the financial secretary this duty as well as a number of other executive authorities, making him or her country's first supervisory and regulatory authority for the banking industry. Despite this, the establishment of a Central Bank that would have a greater influence on the economy and be better positioned to take on and implement the regulatory and monitoring responsibilities that were previously entrusted to the financial secretary seemed to be the nationalists' major concern.

Only 40% of the Nigerian deposit money banks identified by Aremu (2014) appeared to have acknowledged corporate governance principles, indicating that the practice is still in its infancy in the nation's banking industry. The inherent insufficiency in the application of corporate governance principles is arguably the most significant factor contributing to firm bankruptcies and bank financial trouble. The present overtime is a well-known example of corporate fraud, which regularly leads to the collapse of the Nigerian banking industry. Bank failures in the past are virtually invariably attributable to the employment of subpar corporate governance systems because of their violation of corporate government principles. According to Aremu (2014), some board members managed their companies for their own personal benefit, which contributed to the historical challenges encountered by Nigerian banks. These issues were caused by the board of directors' inadequate monitoring, regulatory, supervisory, and corporate governance responsibilities.

The evaluation of the corporate governance and financial performance of Nigeria's deposit money banks is the main objective of this study. The study specifically intends to: (i) determine the effect of board size on deposit money banks' return on asset and return on equity; (ii) analyse the relationship between the board's composition and the deposit money banks' return on assets and return on equity; (iii) find out how the deposit money banks' chief executive officer relates to return on asset and return on equity; (iv) consider how deposit money banks' return on equity and return on assets are impacted by the audit committee.

Literature Review

Concept of Corporate Governance

Corporate governance is a very complex and multidimensional subject. Because it lacks a comprehensive or systematic theory, its paradigm, diagnosis, and treatments may be found in a variety of fields, including economics, accounting, and finance, among others (Olannye & David, 2014). Therefore, any organization's accounting system must have a comprehensive foundation. One of the most crucial factors affecting an organization's overall health and ability to withstand economic shocks is corporate governance. The general health of the organisation is determined by the basic soundness of each component and the connections between them.

The role of the board of directors, the board's fundamental structure, the compensation of the board, the ownership of the director, the freedom available to an enterprise, the role of institutional directors' services, the accountability of BOD members, financial reporting, the institutionalisation of audit functions, and the connection to shareholders are a few key components that make up corporate governance. Good corporate governance may facilitate the growth of sound corporate management and improve the results of corporate organisations, which will benefit society in general and shareholders in particular (Rehmans & Mangla, 2010).

Concept of Financial Performance

In terms of marketing, a company's financial success serves as a gauge of how its operations and strategy fared within a specific time frame. Results are expressed as profit or loss. Financial performance measures a microfinance bank's profit or loss over a specific time period (Mutua, 2014). Ilaboya and Omoye (2013) state that an organization's financial performance is gauged by how successfully it uses its resources to generate profits over a given time period. The position of a corporation throughout a specific time period was utilised in Malik and Nadeem's (2014) examination of financial performance to assess how well it was using its resources to generate income.

A company's financial performance, or the ultimate result of its policies and operations in terms of money, is represented by its return on equity, return on assets, and added value (Omoye & Itaboya, 2013). The accomplishment of a company's financial activities, which show how it can employ its resources to produce revenue, is referred to as financial performance.

Basically, return on assets may be used to assess the financial performance of a microfinance bank since it focuses on the capacity to create income to the optimum use of firm's assets: The amount produced by a corporation after all tax-related expenditures have been subtracted is known as profit after tax (PAT). Return on Equity (ROE) evaluates how

much money is earned in relation to shareholder equity earnings per share (EPS), which are distributed to each share of common stock after taxes (net) and preferred stock dividends.

Agency Theory

The agency theory was initially made famous in 1976 by Johnson and Mekling. The main, or owners, and the agents, or managers, are the two stakeholders in a firm, according to Johnson and Mekling. Owners and investors in the firm provide money and other resources so that it has the resources required to complete duties. Managers, on the other hand, are those who have the ability to make money with the cash that the owner or investors have invested. By ensuring that the business is consistently financially stable and free of both internal and external risk, which is essential for preserving its existence, the agent is responsible for making decisions that are consistent with the owner's investment. In most circumstances, the agency vs. principal dilemma, also known as the ownership and control issue, may be resolved by altering the ownership and exerting more control over management, which is an age-old technique. However, it is not always the case that the management behaves as the owners would want; they may pursue self-serving objectives that compromise on the original aim and, as a result, affect the company's profitability or long-term survival, known as a type one agency dilemma. Today, however, management is claiming a rising number of shares, which creates a fresh principle against principals' problem and, ultimately, a type two agency challenge dispute with the minority shareholder. These instances involved managers who either decided to leave the parking lot themselves or who made bad business choices that hurt the company's financial performance (Shi, 2017).

The Stewardship Theory

The stewardship theory states that after being left on their own, the administration of an institution is the custodian of the resources under their care. A steward is a person entrusted with maintaining another else's property. When a steward works for a company, like in this case, the steward is in charge of looking after the assets of the shareholders. A steward is someone who looks after another person's property to make sure that the owners' objectives are realized (Wilson, 2010).

The stewardship notion has also been proven to conflict with the management of the company's rational decision-making. The stewardship hypothesis states that there is no conflict of interest between the firm's management and owners since they work together to achieve the company's goals. It enhances the joint interests of the two parties rather than the agent focusing on their own objectives. The notion ensures that the company's management never abuses its power. The managers' decisions are in line with the interests of the principles (Donaldson, 2008). According to the view, the CEO's dual function—chairing the board in addition to leading the company—is crucial to an organization's success. However, as was already said, this notion runs counter to the agency concept.

Alkilam et al. (2019) looked at the effects of internal corporate governance measures in 125 Jordanian businesses. The study was descriptive and informal. The association between the CEO, board, and audit committee characteristics and financial performance was masked by the research variable. The results of the study demonstrated a strong association between business performance and audit committee size, but no significant correlation between board size, the number of non-executive directors, or the CEO's dual function and financial success.

The effect of the board's composition on the financial performance of Kenyan deposit money banks was studied by Man Yaya et al. in 2020. The survey included 43 deposit money banks in Kenya. An incidental impact research was carried out to see how the study variables related to one another. The study used a questionnaire to correct the main data, and a data collection form to collect the secondary data. According to the study, the diversity of the board has a beneficial effect on financial success. The study came to the conclusion that the board, which is made up of individuals with varied skills and education in fields like leadership, financial management, and law and compliance, has a lot to offer the CEO on how to guarantee that the company performs better.

3. Research Methodology

This study employed an ex-post facto research design. Archival data from the annual reports and financial statements of the banks listed on the Nigerian Stock Exchange for the relevant time period must be gathered and used. The population of the research consists of five deposit money banks in Nigeria that hold CBN licenses as of December 31, 2012, until December 31, 2021. Nigeria's deposit money banks are at varied phases of development and exhibit a high degree of variety in regards to things like ownership and leadership. Purposive sampling, which is sometimes referred to as subjective or judgmental sampling or judgmental sampling, was used to choose samples from the study's population. When using the non-probability sampling strategy known as "purposeful sampling," the researcher selects the individuals to be included in the sample based on their openness to participating in the study and the fact

that they have been around for a while enough to be aware of its goals. This approach was also adopted since the something size was very modest when compared to the probability sample.

Five deposit money banks' five-year (2012-2021) audited annual financial statements were used to get the data. Because secondary data are more reliable than primary data for cross-sectional studies, the adoption of a secondary approach of data collecting was made possible. Performance evaluations must be based on past occurrences and records due to the nature of the study methodology. By measuring the data gathered and using the statistical tool STATA 2022 to assess the connection between the variables, regression analysis was carried out in the study.

Data reliability was attained by making sure the material was accurate, not biased, authored by a qualified author, collected from a credible website, current, and that it referred to facts and figures from reliable first-hand investigations. By examining if information can be proven in more than one dependable source, data was also examined to assure correctness.

Descriptive and inferential statistics are used in the data analysis. To gain a general overview of the company and respondent characteristics, descriptive statistics were calculated. A variety of relationship hypotheses were tested using inferential statistics. Multiple regression is the tool utilised in the majority of primary research looking at how corporate governance affects financial performance indicators.

The study modified the model employed by Adigwe, Nwanna, and John (2016) to assess the relationship between corporate governance and the financial performance of microfinance banks in Nigeria, where Return on Asset (ROA) and Return on Equity (ROE) made of full function board size, board composition, Chief Executive Officer, and audit committee. The study used a multivariate regression model as a result. The model is specified as follows;

$Y_i=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+e$

Where;

Yi stands for monetary performance. The microenterprise development office's "financial Reporting Standard" recommends the use of return on asset (ROA) and return on equity (ROE) as proxies for financial performance ((ISA 11)). These two metrics are used to gauge the profitability of deposit money banks. It is frequently asserted that ROA and ROE are a reliable indicator of financial performance.

B_0 is financial performance without effect of corporate governance

X_1 is Board Size BDS measured by the natural logarithm of the number of board members

X_2 is Board of Composition (BOC)

X_3 is Chief Executive officer (CEO)

X_4 is Audit Committee. (AUDC).

Results and discussion

Table1 : Preliminary Analysis

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
ROE	.163	50	.002	.947	50	.027
ROA	.225	50	.000	.776	50	.000
BC	.206	50	.000	.931	50	.006
BS	.108	50	.197	.972	50	.285
CEO	.121	50	.067	.960	50	.086
AC	.121	50	.067	.960	50	.086
a. Lilliefors Significance Correction						

Computation from SPSS v.20.0

The results of the normality test using the Kolmogorov-Smirnov and Shapiro-Wilk tests are displayed in Table 1. The table shows that the data for BC, ROA, and ROE are not normally distributed since the significant values of Kolmogorov-Smirnov are less than 5% significant level, however the p-values for BS, CEO, and AC are normally distributed because the values are larger than 5% significant level.

Table 2: Descriptive Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROE	50	.02	.25	.1220	.05685
BC	50	.95	1.26	1.0933	.07572
BS	50	1.04	1.30	1.1807	.06407
CEO	50	.05	.09	.0667	.00995
AC	50	.30	.55	.4001	.05971
Valid N (listwise)	50				

Computation from SPSS v.20.0

Table 2 above displays the mean and standard deviation along with the descriptive statistics for the variables. From the mean, it can be seen that BS, with a mean of 1.1807, is an excellent predictor of the dependent variable (ROE), as opposed to BC, CEO, and AC, which have respective means of 1.0933, 0.0667, and 0.4001.

Table 3: Auto-Correlation Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.680[a]	.462	.427	.04304	1.127
a. Predictors: (Constant), AC, BC, BS					
b. Dependent Variable: ROE					

Computation from SPSS v.20.0

From Table 3 above, it is clear that R, which measures the correlation between the dependent variable's projected values and actual values, is reported as 0.680, implying a 68.0% correlation. Only 46.2% of the entire variance in ROE can be described by BC, BS, CEO, and AC, according to the R-squared value, which is presented as 0.462. The remaining percentage can be explained by additional factors not used by the researcher. Although the displayed figure does not fall between 1.5 and 2.5, the Durbin-Watson statistic of 1.127 indicates the presence of auto-correlation. This suggests that the variables are in poor condition.

Table 4: Analysis of Variance Results (Model Fit)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.073	3	.024	13.165	.000[b]
	Residual	.085	46	.002		
	Total	.158	49			
a. Dependent Variable: ROE						
b. Predictors: (Constant), AC, BC, BS						

Computation from SPSS v.20.0

The analysis of variance for the regression is shown in Table 4 above. The degree of freedom is given as the sum of squares, one less than the total number of variables (N-1), as well as the mean square and, most importantly, the F-value, which is given as 13.165 with a probability value of 0.000, which denotes that the model derived is statistically significant because the result is less than the 5% significant level.

Table 5: Correlation Analysis

Correlations						
		ROE	BC	BS	CEO	AC
ROE	Pearson Correlation	1	-.568**	-.417**	.427**	.427**
	Sig. (2-tailed)		.000	.003	.002	.002
	N	50	50	50	50	50
BC	Pearson Correlation	-.568**	1	.939**	-.934**	-.934**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	50	50	50	50	50
BS	Pearson Correlation	-.417**	.939**	1	-.996**	-.996**
	Sig. (2-tailed)	.003	.000		.000	.000
	N	50	50	50	50	50
CEO	Pearson Correlation	.427**	-.934**	-.996**	1	1.000**
	Sig. (2-tailed)	.002	.000	.000		.000
	N	50	50	50	50	50
AC	Pearson Correlation	.427**	-.934**	-.996**	1.000**	1
	Sig. (2-tailed)	.002	.000	.000	.000	
	N	50	50	50	50	50
**. Correlation is significant at the 0.05 level (2-tailed).						

Computation from SPSS v.20.0

The Pearson's correlation coefficient between the variables ROE, BC, BS, CEO, and AC is shown in table 5 above. The degree of association between the series of variables is evaluated using Pearson correlation. With correlation coefficients of 0.427 and 0.427, respectively, the results from the aforementioned correlation co-efficient show that CEO and AC have a weakly positive association with the dependent variable (ROE). However, the data shows that BC and BS, with correlation coefficients of -0.568 and -0.417 respectively, have a significant negative and a mild negative association with ROE.

Table 6: **Multiple Linear Regression Analysis**

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.122	1.717		-1.236	.223
	BC	-1.145	.237	-1.526	-4.828	.000
	BS	2.410	1.112	2.717	2.168	.035
	AC	1.626	1.143	1.708	1.423	.162
a. Dependent Variable: ROE						

Computation from SPSS v.20.0

Table 6 above shows the coefficients of the first model. The model, which is given as:

$ROE = \alpha + \beta_1 BC + \beta_2 BS + \beta_3 AC + \mu$

It can be described as follows:

ROE = -2.122 – 1.145BC +2.410BS +1.626AC + μ

It is clear from the aforementioned equation that BC has a negative impact on the dependent variable (ROE), whereas BS and AC have a favourable impact. In other words, if BC grows by one unit each, the ROE of the chosen deposit money banks would decrease by 1.145, however if BS and AC increase by one unit each, the chosen banks' ROE would improve by 2.410 and 1.626, respectively. The independent variables' respective t-cals of -4.828, 2.168, and -1.423 were also displayed. With probability values of 0.16, the value for AC is less than the t-tab of 2. These probability values can be viewed as statistically insignificant at the 5% level of significance, whereas BC and BS had p-values of 0.000 and 0.035, respectively.

Table 7: Descriptive Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	50	.01	.10	.0341	.02758
BC	50	.95	1.26	1.0933	.07572
BS	50	1.04	1.30	1.1807	.06407
CEO	50	.05	.09	.0667	.00995
AC	50	.30	.55	.4001	.05971
Valid N (listwise)	50				

Computation from SPSS v.20.0

Table 7 above displays the mean and standard deviation along with the descriptive statistics for the variables. From the mean, it can be seen that BS, which has a mean of 1.1807 compared to 1.0933, 0.0667, and 0.401 for BC, CEO, and AC, respectively, is an excellent predictor of the dependent variable (ROA).

Table 8: Auto-Correlation Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.333[a]	.111	.053	.02684	1.825
a. Predictors: (Constant), AC, BC, BS					
b. Dependent Variable: ROA					

Computation from SPSS v.20.0

From Table 8 above, it is clear that R, the correlation between the expected values and the actual values of the dependent variable, is reported as 0.333, implying a 33.3% correlation. Only 11.1% of the overall variance in ROA can be described by BC, BS, CEO, and AC, according to the R-squared statistic, which is presented as 0.111. The remaining percentage can be explained by additional factors not used by the researcher. However, as the reported result falls between 1.5 and 2.5, the Durbin-Watson statistic of 1.825 indicates that there is no auto-correlation. This suggests that the variables are sound.

Table 9: Analysis of Variance Results (Model Fit)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.004	3	.001	1.918	.140[b]
	Residual	.033	46	.001		
	Total	.037	49			
a. Dependent Variable: ROA						
b. Predictors: (Constant), AC, BC, BS						

Computation from SPSS v.20.0

The analysis of variance for the regression is shown in Table 9 above. The degree of freedom is given as the sum of squares, one less than the total number of variables (N-1), along with the mean square and, most importantly, the F-

value, which is given as 1.918 with a probability value of 0.140, indicating that the model derived is statistically insignificant because the result is greater than the 5% significant level.

Table 10: Correlation Analysis

Correlations						
		ROA	BC	BS	CEO	AC
ROA	Pearson Correlation	1	.087	-.003	-.014	-.014
	Sig. (2-tailed)		.549	.981	.925	.925
	N	50	50	50	50	50
BC	Pearson Correlation	.087	1	.939**	-.934**	-.934**
	Sig. (2-tailed)	.549		.000	.000	.000
	N	50	50	50	50	50
BS	Pearson Correlation	-.003	.939**	1	-.996**	-.996**
	Sig. (2-tailed)	.981	.000		.000	.000
	N	50	50	50	50	50
CEO	Pearson Correlation	-.014	-.934**	-.996**	1	1.000**
	Sig. (2-tailed)	.925	.000	.000		.000
	N	50	50	50	50	50
AC	Pearson Correlation	-.014	-.934**	-.996**	1.000**	1
	Sig. (2-tailed)	.925	.000	.000	.000	
	N	50	50	50	50	50
**. Correlation is significant at the 0.05 level (2-tailed).						

Computation from SPSS v.20.0

The Pearson's correlation coefficient between the variables ROA, BC, BS, CEO, and AC is shown in table 10 above. The degree of association between the series of variables is evaluated using Pearson correlation. The dependent variable (ROA) and BC have a weakly positive association, as indicated by the correlation co-efficient's value of 0.087.However, the table shows that the correlation coefficients for BS, CEO, and AC with ROA are weakly negative, at -0.003, -0.014, and -0.014, respectively.

Table 11: **Multiple Linear Regression Analysis**

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.671	1.071		1.561	.125
	BC	.292	.148	.802	1.974	.054
	BS	-1.301	.693	-3.022	-1.876	.067
	AC	-1.051	.713	-2.274	-1.474	.147
a. Dependent Variable: ROA						

Computation from SPSS v.20.0

Table 11 above shows the coefficients of the first model. The model, which is given as:

$$ROA = \alpha + \beta_1 BC + \beta_2 BS + \beta_3 AC + \mu$$

It can be described as follows:

$$ROE = 1.671 + 0.292BC - 1.301BS - 1.051AC + \mu$$

It is clear from the aforementioned equation that BC has a positive impact on the dependent variable (ROA), but BS and AC have a negative impact. This may be understood to suggest that an increase in BC of one unit each would result in an increase in ROE of the chosen deposit money banks of 0.292, while an increase in BS and AC of one unit each would result in a decrease in chosen banks' ROA of 1.301 and 1.051, respectively. The independent variables' respective t-cals of -1.974, -1.876, and -1.051 were also displayed. The probability value of 0.54 indicates that the value for BC is smaller than the t-tab of 2.The p-values for BS and AC are 0.067 and 0.147, respectively, and can be considered as statistically significant at the 5% level.

Testing of Hypotheses

H_{O1}: *The board size has no significant impact on the return of Asset and return on Equity of deposit money banks.*

Table 6 and Table 11 (the regression table) are thought to be appropriate for handling the aforementioned research presumption. Board Size (BS) has a probability value of 0.000, as indicated in model 1, and the p-value using model 2 is 0.054, both of which may be regarded to be statistically significant, as the figure shown is less than 5% significant level, according to the coefficient table. As a result, the study rejects the null hypothesis and reiterates that the size of the board of directors has a substantial impact on the financial performance of Nigeria's deposit money banks.

H_{O2}: *The board size composition has no significant positive relationship with return on Asset and return on Equity of deposit money banks.*

Tables 5 and 10 (Correlation analysis), which were previously shown, are also thought to be appropriate for handling the aforementioned study hypothesis. With a correlation co-efficiency of -0.417 in model 1 and a probability value of 0.003, which can be interpreted as statistically significant at the 5% significance level, it can be seen from the correlation table that board size composition (BS) has a weakly negative relationship with ROE. This relationship is significant despite being weak, as it is implied by the correlation table.
Model 2 examines the weakly negative association between BS and ROA. As a result, the analysis rejects the null hypothesis and reiterates that there is a positive and statistically significant association between the board size composition and the deposit money banks' return on asset and return on equity.

H_{O3}: *The chief executive officer has no significant relationship with return an Asset and return on Equity of deposit money banks.*

According to the correlation table (5 and 10), the chief executive officer (CEO) has a marginally negative correlation with ROE and ROA probability values of 0.02 and 0.925, respectively. At the 5% level of significance, this relationship is interpreted as statistically significant for ROE and statistically insignificant for ROA. As a result, the study rejects the null hypothesis and reiterates that the chief executive officer has a considerable association with ROE and a minimal relationship with the return on assets (ROA) of Nigeria's deposit money institutions.

H_{O4}: *The audit committee officer has no significant influence on return of asset and return on equity of deposit money banks.*

Table 6 and Table 11 (the regression table) are thought to be appropriate for handling the aforementioned research presumption. According to the coefficient table, the audit committee officer (AC) has a probability value of 0.162, as stated in model 1, and a p-value of 0.147, as stated in model 2, both of which can be interpreted as statistically insignificant because the result is greater than 5% significant level. As a result, the study agrees that the audit committee officer has no discernible impact on the return on assets and return on equity of deposit money banks, and accepts the null hypothesis.

Conclusion and recommendations

According to the research's findings, which disclose a comparative examination of the relationship between listed deposit money banks in Nigeria and their financial success, the researcher draws the following conclusion:
Board Size (BS) was found to have a probability value of 0.000 in model 1 and a p-value of 0.054 in model 2, both of which may be construed as statistically significant because the value disclosed is less than 5% significant level. This leads the study to draw the conclusion that corporate governance, as reflected by board size, has a considerable influence on the financial performance of the chosen deposit money institutions in Nigeria.
The results also show that corporate governance (represented by Board Size) board size composition (BS) has a weak negative relationship with ROE, with a correlation co-efficiency of -0.417 in model 1 and a probability value of 0.003, which can be interpreted as statistically significant at 5% significance level.

Model 2 examines the weakly negative association between BS and ROA. As a result, the study draws the conclusion that the board size composition of deposit money banks has a favourable and statistically significant association with both return on asset and return on equity.

Additionally, according to the study's findings, the CEO has a marginally negative correlation with ROE and ROA probability values of 0.02 and 0.925, respectively, which, at a 5% level of significance, can be interpreted as statistically significant for ROE and insignificant for ROA. The study comes to the conclusion that the chief executive officer has a strong association with ROE and a little relationship with the return on assets (ROA) of Nigeria's deposit money banks.

The study's findings indicate that the audit committee officer (AC) has a probability value of 0.162, as stated in model 1, and a p-value of 0.147, as stated in model 2, both of which can be interpreted as statistically insignificant, as the figure revealed is greater than 5% significant level. Because of this, the study comes to the conclusion that people who spend money cannot rely on audit committee officers to tell them how well the chosen banks are doing financially.

Based on the findings and conclusion drawn by this study, the following recommendations are offered:

The results indicated a strong inverse link between board size and performance. The inverse relationship suggests that performance increases as board size decreases and vice versa. Therefore, it is advised that banks have smaller boards since they will always make decisions quickly and avoid needless red tape and bureaucracy.

On the other hand, there was a strong positive correlation between board composition and performance, which explains why there should be more non-executive members on the board than executive directors. By doing this, the agency cost issue that arises from the agency ties between shareholders and executive directors will be less of an issue.

Although the size of the audit committee had a negligible impact on performance, it should nevertheless be taken into consideration. Instead, the audit committee should be composed of three shareholders and three management/directors (50: 50), as required by Nigerian law. The audit committee needs to include more shareholders, if not all of them. Men with expertise and integrity should make up the audit committee; they should be directly accountable to the shareholders and independent of the board of directors and management.

Taking into account the combined impact of all independent factors on corporate performance, it was also discovered that there are solidly favourable correlations between them. As a result, it is advised that boards of directors for firms should be relatively small and comprise more non-executive directors (representatives of shareholders) than executive directors.

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