IMPACT OF CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA.

BY

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BEING A RESEARCH DISSERTATION PRESENTED TO THE
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DECLARATION

I hereby declare that this dissertation is my research work and has not been previously presented wholly or in part for the award of other degree.

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CERTIFICATION

We the undersigned, certify that this research dissertation titled, Impart ofCorporate Governance on Financial Performance ofDeposit Money Banks in Nigeria, is the original work of the candidate and has been fully supervised, and found worthy of acceptance in partial fulfillment of the award of Master of Science (M.Sc.) Degree in Banking and finance.

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DEDICATION

This dissertationis dedicated to the Almighty God who has given me the opportunity to complete this program.

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ABSTRACT

This study examined Corporate Governanceand the financial performance of Deposit Money Banks in Nigeria, for the period of 2006 – 2015 (10 years). The secondary source of data was sought from published audited annual reports of the ten (10) banks under review. The study seeks to find if Corporate Governance (measured by number of audit committee meetings, number of full board meetings, board size, board composition and gender diversity) have any influence on financial performance (measured by earnings per share) of Deposit Money Banks in Nigeria, which is the main objective of the research work, the study also have five (5) specific objectives (To ascertain the effect of Audit committee meeting on Earning per share of deposit money banks, To determine the influence of Board meeting on Earnings per share, To examine the relationship between Board size and Earning per share of deposit money banks, To investigate the influence of Board composition on Earnings per share of deposit money bank and To ascertain the effect of Gender diversity on the Earnings per share of deposit money banks). The study adopted simple regression techniques for its analysis(Ordinary Least Square (OLS) version 20 and StatisticalPackage for Social Sciences (SPSS) version 23).The study revealed that significant positive relationship exist betweennumber of audit committee meetings, number of full board meetings, board size, board composition, gender diversityand financial performance of Deposit Money banks in Nigeria. The study recommended that Banks should increase the number of Audit committee meetings, number of full board meetings, board size, board composition (outside directors) and gender diversity (number of female directors) in order to get more of their positive effect on financial performance of Deposit money banks in Nigeria. However, the study therefore concludes that there is significant positive relationship between corporate governance characteristics (Audit committee meetings, Board meeting, Board size, Board composition and Gender diversity) and financial performance of Deposit money banks in Nigeria. This study has contributed to the body of knowledge by using market value ratio (proxied by Earnings per share (EPS) to measure the financial performance of deposit money banks in Nigeria.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Considering the collapse of some banks in the past years, there is need to strengthen the level of corporate governance in banks. This will boost public confidence and ensure efficient and effective functioning of the banking system (Soludo, 2012). The concept of corporate governance focuses on the regulation of relationships between the members of the board of directors of the company and its shareholders, employees and regulators from inside or outside the company, and to determine how that must be followed in the interaction between all these parties in overseeing the company's operations. Corporate governance emanate first from promises to address the issue of the separation of ownership from management (Iman and Maliki, 2014;Berle and Means, 2012) in the light of agency theory, the separation of two positions in the company can enhance the performance of a firm and increase the wealth of shareholders (Jensen andMeckling, 2014).

Although corporate governance in developing economies has recently received a lot of attention, yet corporate governance of bank in developing economies as it relates to financial performance has almost been ignored by researchers (Ntim, 2015). Even in developed economies the corporate governance of banks and their financial performance has only been discussed recently in literature (Macey and O'Hara, 2011).

In Nigeria, the issue of corporate governance has been given the front burner status by all sectors of the economy. This is in recognition of the failure of the critical role of corporate governance in the success or failure of companies (Ogbechie, 2012).

The corporate governance mechanisms are to bridge the gap that can occur between managers and owners of the company as a result of the negative practices that could harm the company (Abu Atta, 2015). Therefore, the concept of corporate governance emerged to regulate relations among the board of directors, the audit committees as well as the shareholders and stakeholders in the companies (Swamy, V. (2011).

The corporate governance of banks in developing economies is important for several reasons. First, banks have an overwhelmingly dominant position in the financial systems 0fdeveloping economies, and are extremely important engines of economic growth (King andLevine 2013). Second, banks in these developing economies are typically one of the most important sources of finance for the majority of firms. Third, banks in developing countries are the main depository for the economy's savings and provide the means for payment.

Given the importance of banks, their governance now assumes a central role in view of the peculiar contractual form of banking, corporate governance mechanisms for banks should encapsulate depositors and shareholders.

There is substantial evidence to show the positive link between finance sector development (FSD), and economic growth and poverty reduction (King and Levine, 2012; Levine and Zervos, 2013; and Rajan and Zingales, 2012). The Nigerian banking industry therefore has a significant role to play in the development of the country's economy. Banks have been the main sources of financing in the Nigerian financial market and bank loans were the predominant sources of debt financing in the economy (Central Bank of Nigeria Annual Report 2006).

Corporate governance is particularly important in the Nigerian banking industry because a number of recent financial failures, frauds and questionable business practices had adversely affected investors' confidence. In 1995 several CEOs and directors of banks in Nigeria where arrested for non-performing loans that were given to themselves, relations and friends. Some of the banks that could not meet the Central Bank of Nigeria (CBN) recapitalization requirement in 2006, where found to be saddled with non-performing loans that were given to directors and their friends. The financial health and performance of banks are important for the economic growth of Nigeria.As a result,the Central Bank of Nigeria, had decided to reform the industry in order to achieve global competitiveness.

The corporate governance landscape in Nigeria has been dynamic and has generated interest from within and outside the country. In 2003, the Nigerian Securities and Exchange Commission (SEC) adopted a Code of Best Practices on Corporate Governance for publicly quoted companies in Nigeria and this code is currently being reviewed. At the end of the consolidation exercise in the banking industry, the CBN, in March 2006, released the Code of Corporate Governance for Banks in Nigeria, to complement and enhance the effectiveness of the SEC code, which was implemented at the end of 2006. The three major governance issues that attracted the attention of the regulators are directors' dealings, conflict of interest and creative accounting.

1.2 Statement of the Problem

Corporate Governance has drawn the attention of many researchers, managers, policy makers, investors and even potential investors. This is so because of the high rate of corporate failures in the recent years, as seen in the Nigeria banking industry which eventually lead to the consolidation exercise. Many corporations/banks have failed because they did not abide or appreciate the concept of corporate governance.

It has been agreed by many authorities that if corporate governance is well practiced by corporations, there is every tendency that the firm performance will greatly improve. Sound corporate governance practices have become a global effort to stabilize and strengthen global capital markets and protect investor.

However, The few studies on Corporate Governance and bank performance normally measures performance using profitability ratios, mostly return on asset (ROA) and or Return on Equity (ROE)some studies also use both Return on Assets (ROA) and Return on Equity (ROE) to measure performance.

However, this study unlike other previous studies will use market value ratio (Proxied by Earning per share (EPS) to measure the performance of deposit money banks in Nigeria. Earnings per share was used because, firms now concentrate on shareholder's wealth maximization instead of profit maximization.

1.3 Research Questions

As a result of the above statement of problem, the following research questions were formulated:

i. To what extent does audit meeting affect the Earnings per Share of Deposit Money Banks in Nigeria?

ii. Is there a significant relationship between board meeting and Earnings per Share of Deposit Money Banks in Nigeria?

iii. Is there a significant relationship between board size and Earnings per Share of Deposit Money Banks in Nigeria?

iv. Is there a significant influence between Board composition and the Earnings per Share of Deposit Money Banks in Nigeria?

v. Does gender diversity have a significant relationship with the Earnings per Share of Deposit Money Banks in Nigeria?

1.4 Objectives of the Study

The main objective of this study is to explore the relationship between Corporate Governance Characteristics and financial performance of Deposit Money banks in Nigeria. However, the specific objectives are:

i. To ascertain the effect of Audit meeting on the Earnings per Share of Deposit money banks in Nigeria.

ii. To determine the influence of Board meeting on the Earnings per Share of Deposit money banks in Nigeria

iii. To examine the relationship between Board size and the Earnings per Share of Deposit Money Banks in Nigeria.

iv. To investigate the influence of board Composition on the Earnings per Share of Listed Deposit Money banks in Nigeria.

v. To ascertain the effect of Gender diversity on the Earnings per Share of Deposit money banks in Nigeria

1.5 Statement of Hypotheses

It is in the light of the above research objectives that this research work will test the following hypotheses.

Ho1: There is no significant relationship between audit committee meetings and Earnings per Share of Deposit money banks in Nigeria.

Ho2: There is no significant relationship between board meeting and Earnings per Share of Deposit money banks in Nigeria.

Ho3: There is no significant relationship between board size and Earnings per Share of Deposit money banks in Nigeria.

Ho4: There is no significant relationship between board composition and Earnings per Share of Deposit money banks in Nigeria.

Ho5: There is no significant relationship between gender diversity and Earnings per Share of Deposit money banks in Nigeria.

1.6 Scope of the Study

The scope of this study is narrowed down to ten (10) Deposit Money banks in Nigeria (Access Bank, GTBank, First Bank of Nigeria Plc, UBA Plc, Fidelity bank, Diamond bank, Eco bank, FCMB, Union bank and Sterling bank) for the period of ten (10) years (2006 – 2015), which will cover 100 copies of audited annul reports of the banks under review(10 from each bank).

Secondary data was used for the study, which was gotten from audited financial statements of the banks

1.7 Significance of the Study

This study will serve as an important planning tool for bank managers, government, policy makers, shareholders and even potential investors. It will help managers to notice corporate Board characteristics, audit characteristics that will assist them in maximizing shareholders wealth and even profit maximization. It would also enable investors and potential investors to identify which amongst the Board characteristics and audit characteristics that help in monitoring their wealth and can possibly be relied upon. However, this study will provide insight for students in different field especially the students of management sciences. It will also be a source of further research work.

1.8 Limitations of the Study

Since this study is using secondary data, it is therefore limited to the quality of secondary data source. The researcher had no other way of verifying the quality of the data produced in the audited annual reports of the banks under review.However, the researcher was also faced with some difficulty in getting the needed materials from the banks(i.e. some banks were reluctant in releasing some of these reports).

1.9 Definition of Terms

Board size: This is the total number of directors serving on the board of Directors.

Board Composition: It is the number of independent non-executive directors on the board relative to the total number of directors.

Audit committee meeting: The frequency number of meetings during a year for the audit committee.

Board meeting: Number of full board meeting during the year under review

Gender diversity: this is the ratio of women on the board to the total number of board members or the total number of women serving in the board.

Corporate governance: refers to the mechanisms, processes and relations by which corporations are controlled and directed.

1.10 Organization of the Study

This research work will be arranged in to five (5) chapters.Chapter one will deal with the introductory aspect of the work,chapter two will capture the literature review (theoretical, empirical and conceptual frame work), chapter three will deal with the research method, i.e the methodology which will be employed in carrying out the study, chapter four has to do with results and discussion. In this chapter, the outcome of the regression analysis will be interpreted and fully discussed. Chapter five is the last chapter of this study. Here conclusion and recommendations will be made.

1.11 Summary of the Chapter

This introductory chapter highlighted the background of the research and also gives a brief introduction to the research problem, research objective and research questions. The existing gap in the literature is illustrated and the rationale of the study has been highlighted.The chapter also justifies the research by pinpointing the lack of empirical research on the issue, its contribution to accounting/finance knowledge and its potential benefits to managers, government, policy makers, shareholders and even potential investors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The main objective of this chapter two (2) is to provide a comprehensive review of the related literatures on Corporate Governance (CG) which are germane to the current study. This chapter is however, divided into three (3) main sections. Section 2.1 is concern with the introductory aspect of the chapter, here the conceptual frame work will be captured. Section 2.2 deals with the theoretical frame work of the study, here, different theories that are related to Corporate Governance (CG) and firm performance are reviewed while 2.3 is concern with the Empirical review of the related literatures on Corporate Governance (CG) and firm performance.

2.1.1 Corporate Governance

good corporate governance (GCG) in a corporate set up leads to maximize the value of the shareholders legally, ethically and on a sustainable basis, while ensuring equity and transparency to every stakeholder (the company's customer, employees, investors, vendor partner, the government of the land and community (Millstein, 2012; Murthy, 2015).corporate governance is the key to transparent corporate disclosure and high-quality accounting practices (Abdullah, S.N. 2014). Thus it ensures the conformance of corporations with the interests of investors and society, by creating fairness, transparency and accountability in business activities among employees, management and the board (Kar, 2012; Shil, 2015; Oman, 2011). Prior studies evidence association between weaknesses in governance and poor financial reporting quality, earnings manipulation, financial statement fraud, and weaker internal controls (Beasley, 2012; Beasley, Carcello and Hermanso, 2014; Beasley and Frigo, 2012; Carcello and Neal 2010;

Dechow, Sloan and Sweeney, 2015; Mohammed and Ibrahim, 2011) and that when key elements of corporate governance are not implemented, there will be negative consequences on financial reporting quality because it plays important role in the process of improving the financial reporting quality as well as to prevent earnings manipulation and fraud (Cohen, Wright and Krishnamoorthy, 2014).

Beasley (2015) argued that the probability of detecting financial statement fraud in the American firms decreases with the percentage of outside directors. Firth, Fung and Rui, (2012); Beekes, Pope and Young, (2014); Norwani(2011) evidence that, the presence and number of independent directors is positively associated with earnings quality. Dimitropoulos and Asteriou, (2010); Vafeas, (2015) and Jensen, (2013) found that large board size reduces the information content of incomes and intensifies the earnings management respectively for American, Singapore and new Zealand firms. Similarly, the appointment of independent external auditor and audit committee can reduce the probability of earnings manipulation (Antti and Jari, 2012; Falaschetti and Orlando, 2010).

However, theoretical and empirical studies about corporate governance have suggested that the ownership structure can affect the financial reporting quality, (Fan and Wong, 2012;KlaiandOmri, 2011; Han, 2015).

The aim of corporate governance is to ensure that corporations are managed in the best interests of their owners and shareholders (Ahmed, Alam, Jafar and Zaman 2012). This applies specifically to listed companies where the majority of the shareholders are not in participatory everyday management positions; although, it can also apply to other forms of corporations such as companies with few principal owners and a large group of smaller shareholders, public corporations (where all citizens are stakeholders) partner-owned companies and privately owned companies where the ownership has been divided through inheritance in one or several generations (Ahmed, Alam, Jafar and Zaman 2010). Another essence of corporate governance is establishing transparency and accountability throughout the organization. This is feasible as corporate governance system is premised on a strict division of power and responsibilities between the shareholders through the annual general meeting, the board of directors, the executive management and the auditors.

2.1.2 Financial Performance

Financial performance which assesses the fulfillment of firms' economic goals has long being an issue of interest in managerial researches. Firm financial performance relates to the various subjective measures of how well a firm can use its given assets from primary mode of operation to generate profit. Kothari (2011) defined the value of a firm as the present value of the expected future cash flows after adjusting for risk at an appropriate rate of return. To (Eyenubo 2013) it is the success in meeting pre-defined objectives, targets and goal within a specified time target. Qureshi, (2014), put forward four different approaches in which the value of a firm has been identified in corporate finance literature. These are: the financial management approach which focus on the evaluation of cash flows and investment levels before identifying and assessing the impact of financing sources on firm value; the capital structure approach which studies the impact of capital structure changes on the value of firm and how different factors impact directly or inversely the debt and equity component of the firm capital structure; the resource based approach which explains the value of firm as an outcome of firm's resources; and finally, the sustainable growth approach which is a summary of the above three approaches to firm value, taking into account the firm's operating performance, its investment and financing needs, the financing sources, and its financing and dividend policies for sustainable development of firm's resources and maximization of firm value.

However, this study will measure financial performance using market value ratio, proxied by Earnings per share (EPS), because firms now concentrate on shareholder's wealth maximization instead of profit maximization.

2.1.3 Purpose of Audit Committee

The need of auditing evolves to ensure transparency and accountability in corporate affairs, where owners appoint a professional management to look after the business on their behalf. Normanton (2013) noted that "without audit, no accountability, without accountability, no control and if there is no control, where is the seat of power". This famous quotation crystallizes the idea that the audit is a necessary independent attestation of the accountability to the stakeholders by the stewards of the enterprise, that is, by the Board of Directors (BODs). However, where the principal stakeholders and the stewardare the same (as with an owner-managed firm) there is arguably less need for the audit (Chambers, 2015). The development of audit committees(ACs) in the UK and USA have been driven by concern about the credibility of financial reporting, particularly in relation to the issue of auditor independence (Abbott, L., Parker, S., Peters, G.F., and Raghunandan, K., 2013). The report of the Cadbury Committee (2012) provided an outline of AC structure and membership, terms of reference, and a range of duties for the audit committee, but it offered no explicit statement as to its purpose.

2.2 Theoretical Framework

There are several theories that explain the relationship between corporate governance characteristics and firms' performance in the literature of accounting/finance. Some of these theories are stewardship theory, stakeholder theory, resource dependence theory, transaction cost theory, market myopia theory, signaling theory and agency theory.

Figure 2.1 illustrates the main theories that significantly contribute to the development of corporate governance (CG)

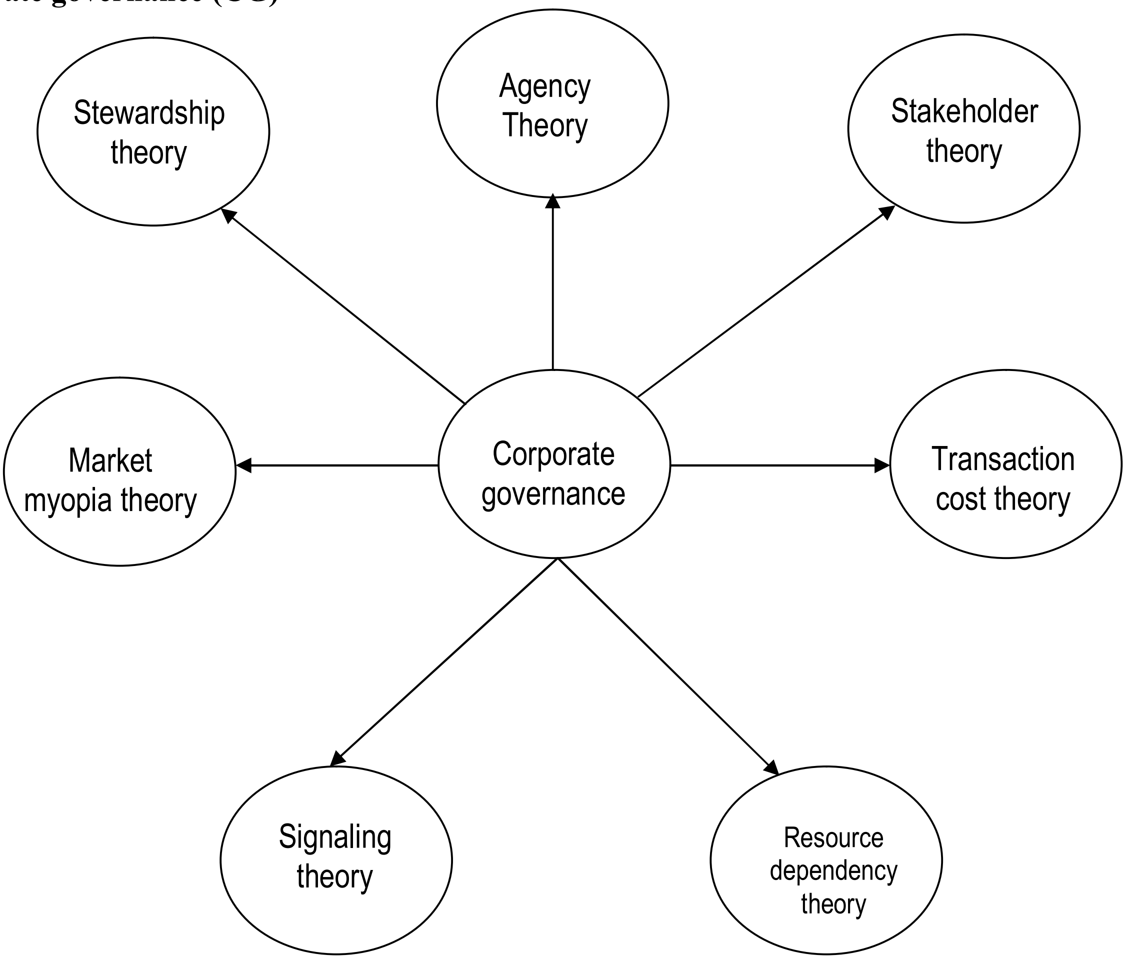

Figure 2.1: Theories Relating to Corporate Governance (CG)
Source: Researchers' Desk

2.2.1 Stewardship Theory

Proponents of stewardship theory contend that superior corporate performance will be linked to a majority of inside directors as they naturally work to maximize profit for shareholders. Inside (or executive) director spend their working lives in the company they govern, they understand the business better than outside directors and so can make superior decisions (Donaldson, 2010; Donaldson and Davis 2014).

Access to information and the ability to take a long-term view are seen as key aspects of the decision-making process. For example, studies have examined the superior amount and quality of information possessed by inside directors (Baysinger and Hoskisson, 2011). The inside directors know the company intimately, they have superior access to information and are therefore able to take more informed decision. Alternatively, we would expect that if there were few inside directors on board the board would not be in a position to fully understand the company, it would only have access to information provided by management and would lack the contextual nature to make informed decision.

Stewardship theory argues that shareholders' interests are maximized by sharing the roles of board chairman. However, some studies have found that agency theory and stewardship theory are equally relevant to corporate governance issues, since agency theory argues that shareholders' interest require protection by separation of ownership from control. For example, Kashif (2008), Donaldson, L and Davis, J. (2011) studied the relationship between corporate governance and a firm's performance and found results that show that corporate governance relevance of both agency theory and stewardship theory. The basic assumption of this theory is that the agent has access to superior information, since the principal cannot always monitor the agents' behaviors and activities. It raises a concern that the agents will take advantage of this position to maximize their self-interest at the expense of the principals (Beaver, 2012). Daris, (1997) argued that the essential assumption underling the prescription of stewardship theory is that the behaviors of the executives are aligned with the interests of the principal.

Comelius, (2009) defined corporate governance as the stewardship responsibility of corporate directors to provide oversight for the goals and strategies of a company, and also to foster their implementation. Stewardship theory is said to favour governance mechanisms that support and empower the firm's management and disfavor those that monitor and control it. Chitayat, (2011) suggests that the most important factor influencing organizational performance and shareholder returns is designing the organizational structure so that managers can take effective action. It is known that stewardship theory adopts a contrasting view of the duality-performance debate (Braun and Sharma, 2007). Advocates of stewardship theory argue that authoritative decision-making under the headship of a single individual (as both chairman and CEO) leads to an increase in the firm's performance (Donaldson and Davis, 1991; Jackling and Johl, 2009). The stewardship theory proposes that managers do have similar interest to the corporation, in that the careers of each are linked to the attainment of organizational objectives, and their reputations are interwoven with the firm's performance and shareholder returns (Davis, 2012).

Stewardship theory presumes that executive managers, far from being opportunistic, are honest and that they are good stewards of the corporate assets (Muth and Donaldson, 2011; Nicholson and Kiel, 2007). Managers are good stewards of corporations who, being motivated by their own achievement and responsibility needs, work hard to increase shareholders' wealth. According to this theory, the economic performance of a firm is improved if power and authority are concentrated in a single executive who is both CEO and chairman.

2.2.2 Stakeholder Theory

Although stakeholder theory has evolved gradually since the 1970's (Solomon, 2012), one of the pioneering expositions of this theory was introduced by Freeman in 1984 when he defined a stakeholder as: "any individual or group who can affect or is affected by achievement of the organization's objectives". Stakeholder theory takes account of a wider group of constituents rather than simply focusing only on shareholders (Mallin, 2010). Thus, stakeholders can include shareholders, employees, suppliers, customers, creditors, communities in the vicinity of the company's operations, and the general public. Some extreme proponents of this theory suggest that environments and future generations can also be included as stakeholders. One commonality characterizing all definitions of stakeholders is to acknowledge their involvement in an "exchange" relationship (Pearch, 2012; Freeman, 2014; Hill and Jones, 2012). Stakeholder theory highlighted that the interest of different groups, and argues for the possibility of favouring one group's interest over that of another (Jones and Wicks, 2009). It also suggests that company is a separate organizational entity, and that it is connected to different parties in achieving a wide range of purpose (Donaldson and Preston, 2015).

Proponents of the stakeholder theory emphasize that the corporation could not exist without the contributions of groups like customers, employees, the community of which it is a part, and the environment; therefore, managers should consider their decision affect these other constituents

(Stovall, 2004). McAlister, (2003) argued that this theory presumes a collaborative and relational approach to business and its constituents. Supporters of this theory argue that the corporate governance problem turns round the objective function of the corporation. The notion that the firm's goal to maximize shareholders welfare is regarded as being too narrow, rather, they suggest that the goal of the firm should be extended to include the maximization of the welfare of other stakeholders, such as: employees, creditors, suppliers, customers, the environment, and the community (Freeman, 2014). Solomon, (2012) contended that a basis for stakeholder theory is that companies are so large, and their impact on the society is so pervasive, that they should discharge accountability to many more sectors of the society than solely their shareholders; they should include employees, suppliers, customers, creditors, communities in the vicinity of the company's operations, and the general public.

According to Freeman,(2014), stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose. According to stakeholder theory the purpose of the firm is to serve and coordinate the interests of its various stakeholders such as shareholders, employees, creditors, customers, suppliers, government, and the community.

According to Habbash (2010), stakeholder refers to any one whose goals have direct or indirect connections with the firm and influenced by a firm or who exert influence on the firms goal achievement. These include management, employees, clients, suppliers, government, political parties and local community.

According to this theory, the stakeholders in corporate governance can create a favorable external environment which is conducive to the realization of corporate social responsibility. Moreover, the stakeholders in corporate governance will enable the company to consider more about the customers, the community and social organizations and can create a stable environment for long term development. The benefit of the stakeholder model emphasis on overcoming problems of underinvestment associated with opportunistic behavior and in encouraging active co-operation amongst stakeholders to ensure the long-term profitability of the business firm (Maher and Andersson, 2011).

According to Kyereboah-Coleman (2007) management receive capital from shareholders, they depend upon employees to accomplish the objective of the company. External stakeholders such as customers, suppliers, and the community are equally important, and also constrained by formal and informal rules that business must respect. According to stakeholders theory the best firms are ones with committed suppliers, customers, and employees and management. Recently, stakeholder theory has received attention than earlier because researchers have recognized that the activities of a corporate entity impact on the external environment requiring accountability of the organization to a wider audience than simply its shareholders (Kyereboah-Coleman, 2007).

2.2.3 Resource Dependency Theory

Whilst the stakeholder theory focuses on relationships with many groups for individual benefits, resource dependency theory concentrates on the role of board directors in providing access to resources needed by the firm (Abdullah and Valentine, 2009). According to this theory the primary function of the board of directors is to provide resources to the firm. Directors are viewed as an important resource to the firm. When directors are considered as resource providers, various dimensions of director diversity clearly become important such as gender, experience, qualification and the like.

According to Abdullah and Valentine, directors bring resources to the firm, such as information, skills, business expertise, access to key constituents such as suppliers, buyers, public policy makers, social groups as well as legitimacy. Boards of directors provide expertise, skills, information and potential linkage with environment for firms (AyusoandArgandona, 2007).The resource based approach notes that the board of directors could support the management in areas where in-firm knowledge is limited or lacking. The resource dependence model suggests that the board of directors could be used as a mechanism to form links with the external environment in order to support the management in the achievement of organizational goals (Wang 2009). The agency theory concentrated on the monitoring and controlling role of board of directors whereas the resource dependency theory focus on the advisory and counseling role of directors to a firm management. Recently, both economists andmanagement scholars tend to assign to boards the dual role of monitors and advisers of management.

However, whether boards perform such functions effectively is still a controversial issue (Ferreira, 2010). Within a corporate governance framework, the composition of corporate boards is crucial to aligning the interest of management and shareholders, to providing information for monitoring and counseling, and to ensuring effective decision-making (Marinova.2010). The dual role of boards is recognized. However, board structure has relied heavily on agency theory concepts, focusing on the control function of the board (Habbash, 2010). Each of the three theories is useful in considering the efficiency and effectiveness of the monitoring and control functions of corporate governance. But many of these theoretical perspectives are intended as complements to, not substitutes for, agency theory (Habbash,2010). Among the various theories discussed, agency theory is the most popular and has received the most attention from academics and practitioners. According to Habbash (2010), the influence of agency theory has been instrumental in the development of corporate governance standards, principles and codes. Mallin (2010) provides a comprehensive discussion of corporate governance theories and argues that the agency approach is the most appropriate because it provides a better explanation for corporate governance roles (as cited by Habash, 2010).

Some researchers (for example, Cohen, 2015) have found some similarity between resource dependency theory (RDT) and Agency theory. RDT proposes that actors lacking in essential resources will seek to establish relationship with (i.e be dependent upon) other in order to obtain needed resources. In fact, RDT claims that the mutual appointment of directors generates benefits to the firm in term of higher performance. this claim was supported by the findings of Jackling and Johl, (2009). The study found that the large the board size was then the higher was the corporate performance. This notion has also previously been argued by Hilman and Dalziel (2013); Dolton,(2014) and Pearce and Zahra (2012). RDT is useful in addressing the role of directors as boundary spanners between the organization and the environment (Pfeffer and Salancik, 2012 cited in Young and Thyll, 2014). Directors' professional appointments (lawyers or bankers, for example) enhance the organizational functioning by providing access to resource needed by the firm.

RDT theory suggest that the external parties' ability to command those resources which are vital for an organization, gives those parties power over it. This means that if a foreign partner brings a resource necessary for the company's success, then the external partner will gain power relative to the local partner. It also implies that a partner's control will be focused on those activities to which this partner brings resources. This theory therefore lead to the conclusion that the partner's ability to govern a firm depends not only on the relative size of their equity holdings, but also on the significance of the essential tangible and intangible resources which they bring to the firm (Child, 2010).

Organizational success in RDT is defined as organizations maximizing their power (Pfeffer, 2012). Research on the bases of power within organization began as early as Weber (2011), and has included much of the early work conducted by social exchange theorists and political scientists. RDT characterizes the links among organizations as a set of power relation based on exchange resources. Resources dependence asserts that the board's primary role is to assist management with strategy and resource acquisition (Cohen, 2007; Nicholson and Kiel, 2007) .board's role is that of helper or partner, rather than a monitor of the management (Beasley, 2009). In emerging economies, it is likely that local partners and local markets are unable to provide the more sophisticated resources required by firms. This leads them to becoming highly dependent on their foreign partners for items such as technology, management system, training, and professional support services. Most emerging economies suffer from the shortage of fund, expertise, and institutional channels to adequately finance their working capital requirements, or expansion investment, Nigeria is no exception in this regards. RDT implies a reasonable reliance on the foreign partner in overcoming these lacks and shortages.

2.2.4 Signaling Theory

The problem of information imbalance in the labour market, gave rise to the development of signaling theory, it also looks at how this can be reduced by the party with more information signaling to others (Morris, 2013).

However, the signaling theory has some similarities with agency theory, this is because it also recognizes the separation of ownership and control in modern corporations, and it suggests that market pressures on management motivates management to disclose all of the information which is material to investors (Ross, 2012). What made this theory slightly different from agency theory is that there are signaling costs that are inversely related to the quality of information (Morris, 2014). Despite information imbalances, management has motives to provide quality information to cut down signaling costs (especially the effect on share price). Managers with superior information on demand for its product disclose more to convince the competitors and the capital market of the quality of its product, by so doing, increasing the value of the firm's stock. Similarly, the firm would also wish to convince its competitors that demands are low, which reduces the competitors' output and increase the informed firm's profit (Ghabayen, 2014). Morris (2011) also argued that when the sellers of information provide general disclosure then the buyers of information will not be able to differentiate the products, resulting in no change in price.

However, if sellers of high quality products disclose more, the buyers of information will be able to differentiate the product, resulting in higher prices.

But for sellers of low quality product then it will be to their advantage not to disclose extra information as buyers may be able to differentiate the product, causing the price to be reduced. Morris, (2014) indicates that the signaling motives are higher when the quality of the product is high. Firms with no information, or with bad news, also have to give signals, just like those with good news, in order to distinguish their firms from others (Ross, 2011). Skinner, (2014) stated that the managers of these firms also have a legal motivation to disclose the bad news as they may cause reputation losses if they fail to do so at the right time.

In short, signaling theory is built on the assumption that information is not equally available to all the parties at the same time. So information asymmetry is the rule. Signally theory believes that corporate financial decisions are signals sent by the company's or firms' managers to investors. Signaling theory states that corporate affairs should be clearly disclosed to the stakeholders so that they can take their rational and informed decisions.

2.2.5 Market Myopia Theory

The proponents of market myopia theory implicitly assert that the goal of a firm is not only to maximize shareholder's wealth, but also to maximize other stakeholder's wealth (Keasey, 2011). Charkham (2014) and Sykes (2010) argued that the capital market produces excessive pressure on a corporation's managers to focus excessively on short-term stock price gain at the expense of long-term growth and investments like research and development. The share price is not a reliable guide to the future value of the firm (Keasey, 2011). Moreover, the theory also suggest that one of the role of accounting is to provide information for the capital markets through a process of formal and informal sets of contracts between self-interested parties (Adhikari and Tondkar, 2010). The need of these information by the users make the firms to increase the quality and quantity of their disclosure. This view is in line with that of Gray and Roberts, (2015) that the stock market pressures appear to determinate political pressure in encouraging disclosure. Cooke, 2009 suggest that the impetus for disclosure is to help in reducing the uncertainty in investors and therefore, risk and the required rate of return. Spero, (2009) asserts that a lower rate of return to shareholders means a lower cost of capital for the company, and this is in line with the company's objective to raise capital at the lowest possible cost. In other words, the lower the uncertainty or risk perceived by the investors, the higher the share price.

2.2.6 Transaction Cost Theory

Transaction cost theory is concerned with issue that has to do with how to co-ordinate the individual interests of both owners and management, in order to protect the interest of the shareholders. One of the fundamental differences between agency theory and transaction cost theory is that the agency theory considers that managers pursue their perquisites while the transaction cost theory describes how managers are often opportunistic.

The main idea of transaction cost theory, as proposed by Williamson (2015), is that corporations experience massive economic costs, and corresponding economic advantages, in each transaction that they under take.

Transaction cost theory is based on the fact that companies have become so big and complex that price movement outside companies, direct production and the market co-ordinate transaction (Solomon, 2012). Transaction cost theory has been developed to facilitate an analysis of the comparative costs of planning, adapting and monitoring task completion under alternative governance structure (Williamson, 2015). Williamson's (2015) study believes that the unit of analysis in transaction cost theory is a transaction which happens when any goods or service is transferred across a technologically separate interface. Transaction cost theory occurs firstly from two human factor i.e. bounded rationality and opportunism and secondly from three environmental factor i.e. uncertainty, small number of trading and assert specify.

The above discussion indicates that corporate governance (CG) literature has looked into the role of the board in quite some detail and presented various theories. There is no single theory in isolation can provide a complete understanding of the board's role (Daily 2013; Lynall, 2003; Nicholson and Kiel, 2014; Jackling and Johl, 2009).

Tricker, (2009) also pointed out that corporate governance, as yet, does not have a single widely accepted theoretical base nor a commonly accepted paradigm. The subject, lack a conceptual framework that adequately reflect the reality of corporate governance. Despite the differences that exist in various theories, all attempt to describe the same problem, but from different perspective. However, corporate governance is still seeking its theoretical foundations, but the main theory that has affected its development, and that provided a theoretical framework within which it most naturally seems to rest, is agency theory (Mallin, 2010). She also said that stakeholder theory is coming more into play as companies become more aware that they cannot operate in isolation to a wider stakeholder constituency. Further, it is obvious that agency theory is related to most of the theories discussed above, and it has the basic idea of these theories.

2.2.7 Agency Theory

However, for the purpose of this study, agency theory will be preferred. This agency theory can be used to explain the impact of corporate governance characteristics (board characteristics, audit characteristics) on firm performance.

The agency theory view directors as the agent of the shareholders and therefore there is a need for them to act in the best interest of the shareholders. In this situation, sometimes the agent may not act in the best interest of the shareholders which result in an agent loss situation.

The agency theory stresses that, manager may sometimes pursue opportunistic behavior which may conflict with the goal of the owners (principals) and therefore destroy the wealth of the shareholders. Advocates of the agency approach view the manager (director) as an economic institution that will mitigate the problems and serves as the guardian to shareholders (Hermalin and Weisbach 2000, Fama and Jessen 2013).

This study adopts agency theory due to its relevance in resolving conflicts that may arise between managers (agent) and shareholders (principal) of the companies. In highlighting the importance of agency theory in corporate governance, Christopher, (2009) noted that the main concern of corporate governance (CG) started from the separation of ownership and control in modern public corporations. Also Iman and Malik (2012) noted that the need for corporate governance arises from the potential for agency conflict. The main agency problem is between the controlling owner-management and outside shareholders. Jenson and Meckling (2014) described an agency relationship as “a contract under which one person (the principal) engages another person (the agent) to perform some services on his/her (the principal’s) behalf”. Agency relationship is also seen as a contractual process whereby owners delegate some of their authorities and responsibilities to a team consisting of expert member(s), and they expect this team to exercise their expertise in the best interests of the company’s operational success. Muth and Donaldson, (2012) described agency relationship as delegation of power by the owner to the management. Eisenhardt, (2013) discussed two major causes of agency problem, they are: conflict of interests, and different attitudes towards risk between owner and management. In-line with agency theory, the main problem of corporate governance is how the shareholders ensure that self- seeking executives act in the interest of the shareholders rather than their own (Hendry, 2005). When shareholders are not able to monitor management properly, the company’s assets might be used for the welfare of management rather than maximizing the company’s wealth (Berle and Means, 2012).

Chrisman, (2014) argued that conflict arises from information asymmetry between owners and managers, and so there exist a gap between the two. Agency problem of moral hazard and adverse selection, in particular, develop under information asymmetries between agents and principals. Chrisman, (2014) also argued that one of the main causes of this conflict is the information asymmetry between owners and managers, which happens because of a knowledge gap about the company's internal operations. The owners need quality information to monitor, control and motivate the agents, however, the agents (management) have full control of the information flow in the company.

The separation of ownership and control makes controlling shareholders to pursue private benefits (Albuquerue and Wang, 2008). In some occasions, shareholders may prioritize their own welfare at the cost of other stakeholders, and they tend to influence management decision in order to maximize short term profit. Management prefers to maximize the wealth of the firm by earning sustainable long term profit. Consequently, conflict of interests between owners and management emerges and can grow exponentially. For accountability purpose, management decisions and activities need to be monitored. Good monitoring occur when owners themselves can actively participate in the monitoring process. However, because of the high cost involved and in some cases due to the lack of expertise and knowledge, they cannot be actively involved in the process, though the board needs to set monitoring mechanisms because of their oversight responsibilities to shareholders (Johnson,2011).

Peng and Heath (2014) argued that the lack of legality for formal governance mechanisms creates a week governance environment, which can create a potentially severe agency problem. The factors that can make agency problem worse in emerging economies are: family ownership and control, state owned enterprises, poor legal protection of minority shareholder rights, concentrated ownership structure and strategy and competitiveness (young, 2011). Family owners and family member managers reduce the effectiveness of any internal and external control mechanisms and also expose their companies to a self-control problem which affects them negatively and also affect those around them negatively. Dharwadkar, (2000) contended that family ownership may sometimes cause “weak governance” and “low trust” environment that offers little protection against traditional principal-agent conflicts. However, all the countries reformers have begun attempts to reduce the power of family-owned business groups. Since the family members hold the major part of the shares in the family ownership, they may be considered as large shareholders. The gain of large shareholders are theoretically clear (e.g. having the interest as well as the power, to get their money back). Shleifer and Vishny, (2015) contended that large investors represent their own interest, which need meet the interests of other investors, employees, and managers in the firm. It has been observed that large investors usually dominate the board and exercise undue influence on the management decisions. Large investors may tend to maximize their wealth and overlook the wealth of others minor investors and employees, (Shleifer and Vishny, 2014). They do that particularly when their control rights totally exceed their cash flow rights, which do happens if there is a substantial departure from one-share one-vote (Grossman and Hart, 2010).

Fama and Jensen (2013) contended that it is the duty of the board of directors (BoDs) to reduce agency problem and costs arising from the separation of ownership from decision control. Solomon, (2012) described some of the ways in which shareholders can monitor company management and help to resolve agency conflicts. Hoitash, (2009) indicated that agency problem can be mitigated through effective internal control over financial reporting imposed by owners. Different studies have suggested some incentives to motivate management in minimizing the agency problem (e.g ward, 2009) . Watts and Zimmerman (2011) explained a positive agency theory by linking managerial incentive for voluntary financial disclosure. Dominated majority ownership structure are likely to prevail across the corporations and are able to effectively control principal-agent problems, and can consequently become the rule in emerging economies.

In this type of economies, dominating ownership structures are associated with the need to resolve principal-agent problems. It is recommended that this problem can be resolved by including an independent, external director on the board. Jackling and johl, (2009) argued for the agency theory and agreed with the study of Nicholson and Kiel, (2014) who contended that the higher proportion of outside directors in the board, the greater the corporation performance of the firm. Ehikioya also agreed to one notion of this theory and discovered that CEO duality (same person holding both positions of CEO and chairman) has a negative effect on a firm's performance. However, Jackling and Johl (2009) disagreed with the notion and found no reason to conclude that a CEO's duality roles have any detrimental effect of corporate performance.

2.3 Empirical Review

2.3.1 Audit Committee Meeting and Firm Performance

The frequency member of meeting during a year for the audit committee has been proved by some scholars to have positive relationship with performance. Some authors like Jackling and Johl (2009) and Lipton and Lorsch (2012) contended that frequent meetings are likely to lead to higher performance while Rebeiz and Salame (215) highlighted that the quality of the meeting and not just the quantity is significant for firm performance.

According to Abbott, Peter and Raghunandan (2013) frequent meetings of audit committee may lead to the improvement of the financial accounting process which in turn leads to superior performance. Also, the resource dependent theory stated that the board meeting helps the board to value and pursue a board business from time to time and to solve any problem faced by employees (Pearce and Zahra, 2012; Pfeffer, 2010). Khanchel (2014) revealed a positive relationship between the two variables in developed countries. Others found a negative relationship between board meeting and firm's performance (Petchsakulwong, 2010). Some other authors found no relationship between audit committee meetings and firm performance (Al-Matari et al, 2012)Kyereboah (2012), Mohd (2011).

Abbort, (2012) noted that an effective audit committee should meet at least four (4) times annually. Further Shach, (2009) noted that ACs in New Zealand formally meets on an average of 3.75 times annually

2.3.2 Audit Committee Independence and Firm Performance

This has to do with audit composition, i.e. the number of none-executive members serving on the audit committee. The committee must be made up of at least three (3) directors with 2/3rd of them being none executive independent directors. The Chairman of the committee is chosen from the independent directors approved by the board of directors.

According to Kang and Kim (2011), Abdullah, (2014) the composition of audit committee refers to the proportion of the nonexecutive members compared to the executive ones.The agency theory and the resource dependence theory states that autonomy helps in reaching the right decision without barriers and determination of errors because of the independence of reviewers. The audit committee independence and firm performance is expected to reveal a positive relationship. However, only few studies that investigated this relationship in developed countries are Dey (2008), Khanchel (2014) and in developing countries are Abdullah (2014) Swamy, (2011), Saibab and Ansari (2011) and they found a positive relationship.

However, some studies found a negative relationship between audit committee independence and firms performance (Dar et al, 2011) while others found no relationship between the two (Al-matari et al, 2012), Ghabayen (2012), Khan and Javid (2011). An audit committee that is comprised of more number of non-executive directors is deemed more independent than one that has more executive director's (Mohd 2011). In the same way, external audit committee members have a significant role in ensuring corporate governance practices in the auditing process (Swamy, 2011). Moreso, Abdullah et al (2008) firms having a majority of internal directors and lacking audit committee are more likely to take part in committing financial fraud compared to their controlled counterparts in a similar industry and with the same size.

The empirical result as to the relationship that exists between audit committee independence and financial performance of firms is equivocal. Chan and li (2008) found that independence of the audit committee (i.eto have at least 50 percent of independent directors serve on audit committee) positively impacts the firm performance, also, Ilona, (2008) found a positive relationship between audit committee independence and firm performance, which is measured by return on Asset (ROA).

Agency theory suggested that independence of a non-executive director is a crucial quality that contributes to the effectiveness of audit committee monitoring function (Fama and Jensen, 2013).

However, some studies suggested that independent audit committees are less likely to be associated with financial statement fraud. (Abott, Parker, Peters and Raghunandam, (2013). This is because independent audit committee is able to provide unbiased assessment and judgment and able to monitor management effectively.

Moreover, Erickson, Park, Reising, Shin, (2015), asserted that independent directors can reduce agency problems. Based on the argument provided by Erickson, (2015) that director independence can reduce the agency problem, it can similarly argue that independent audit committee can also reduce the agency problem. In other ward a positive relationship exist between audit committee independence and firm performance.

Klein, (2002) found that the inclusion of outside directors on the board enhances corporate performance and the returns to shareholders. Similarly, independent directors are better monitors of management than inside director (Defond and Francis, 2005). In like manner, the outside directors are seen as acting in the interest of shareholders in that the appointment of outside director is accompanied by significantly positive excess returns (Sanda, Garba and Mikailu, 2011).

2.3.3 Board Meeting and Firm Performance

Every director is expected to attend all board meeting such attendance is one of the criteria for the re-nomination of a director except where there are cogent reasons that the board must notify the shareholders of at annual general meeting (AGM) (SEC 2006). For board to effectively perform its oversight function and monitor management performance, the board must hold a regular meeting. Measuring the intensity and effectiveness of corporate monitoring and discharging is the frequency of board meetings (Jensen 2013). There are mixed views about the effect of board meetings and corporate performance. One supporting point is that the frequency of board meetings is a measure of board activities and effectiveness of its monitoring ability (Conger, 2009 and Vefeas 2011) frequent board meetings can result in higher qualities of management monitoring that in turn impact positively on corporate financial performance (Ntim, 2009). Conger, (2009) suggest that the board meeting be important resource in improving the effectiveness of the board. It helps directors to be informed and keep abreast with the development with the organization (Mangena and Tauringana 2008). Regular meetings also allow directors to sit and strategize on how to move the organization forward.

According to Lipton and Lorsch (2012) regular meetings enable directors to interact thereby creating and strengthening cohesive bonds among them. However, the opposing view of board meetings is that it is costly in terms of travel expenses, refreshments and sitting allowance to be paid to directors (Vafea, 2012). Board meetings are not necessarily useful because the limited time outside directors meet is not used for meaningful exchange of ideas among themselves and management (Jensen 2013) instead preoccupied with routine tasks and meetings formalities. This reduces the amount of time the board has to monitor management (Lipton and Lorsch 2012).

Empirical findings on the effect of frequent board meetings and corporate performance show mixed results. Vafeas (2015) reports a statistical significance and negative association between frequency board meetings and corporate performance. He also finds that operating performance significantly improves following a year of abnormal board activity. Karamandu and Vafeas (2005) find a positive association between frequency board meeting and management earnings forecasts, using a sample of 157 firms in Zimbabwe from 2001-2003; Mangena and Tauringans (2008) report a positive relationship between the frequency of board meetings and corporate performance. Similarly in a study of the sample of 169 listed corporations from 2002-2007 in South African, a statistical significant and positive association between the frequency of board meeting and corporate performance exist (Ntim and Osei 2011). This implies that the board of directors in South Africa that meet more frequently tend to generate higher financial performance. Another study conducted on public listed companies in Malaysia using five years data 2003 to 2007 of 328 companies, shows that the higher the number of meetings the worse the firm performance (Amram, 2011).

2.3.4 Board Size and Banks Performance

The board size influences the monitoring ability where the larger its size, the more capable it will be able to monitor top management (Abdullah, 2014). The board size however represents the total number of directors serving on the board of director. The board size is basically viewed as the main corporate governance mechanism and the primary means for shareholders to indirectly oversee management activities (John and Senbet, 2011). Jensen (2013) and Lipton and Lorsch (2012) also revealed that large board sizes are not as effective as smaller ones and there is a possibility that the members discussions are not as meaningful as expected. Increase in board size of banks corresponds to difficulties arising in coordination and processing of issues (Al-Matari, E.M., Al-Swidi, A.K., Faudziah, H.B., and Al-Matari, Y.A., 2012).

Shaver (2015) mirrors the same statement by saying that larger board primarily shows issues of responsibility diffusion leading to social loafing and urging the fractionalization of these groups and the reduction of the member's commitment to strategic change. Moreover, larger boards are inefficient in terms of higher spending on the maintenance and report more difficulties in term of planning, work coordination, decision making and having regular meetings because of the number of members. On the other hand, smaller boards are ideally able to avoid free riding by directors and encourage efficient decision making process. Also, the bigger the board, the more possibility that the stakeholder's interests are considered and the less likely that decision will be reached in favour of only a few members (Shao, 2010). According to Pfeffer and Salancik (2008), larger boards are more able to obtain invaluable resources including budgeting, funding and leveraging the external environments which can lead to the improvement of the performance of the bank.

According to Yermack (2015) having a small board increases the performance of firms and influences positively the investor's behaviour and company value. The idea is that when board size is too large, agency problem; like director free-riding will increase within the board. Bozemen and Daniel (2005), Haniffa and Hudaib (2006), Yokishawa and Phan (2004) found that there is a negative association between board size and firms performance on the other hand, Adams and Mehran (2005),Rechner and Daltan (2012), Pfeffer (2012) found a positive relationship between board size and firm's performance.

2.3.5 Board Composition And Banks Performance

It has been argued that outsiders provide more superior performance benefits to the firm as a result of their independence from firm management. Adams, R. and Mehran, H. (2008), Ezzamel and Watson (2013), Rosenstein and Wyatt (2010), Yasser, (2011), Shah, (2011), Rashid, (2010) found a positive relationship between outside directors and profitability among U.K. firms.

Extant literatures agree that effective boards are made up of greater proportions of outside directors on board. This agreement on larger proposition of outside directors sitting on the board is highly grounded in agency theory which propagates the separation of ownership and control which may potentially lead to self-interested actions by those in control-managers (Eisenhardt, 2009; Jensen and Meckling, 2014). According to the agency theory, effective board will be composed of outside directors. Agency theory and resource dependence theory believes that the association between board independence and firms performance is positive. On the other hand, many researchers have also found a negative relationship between board independence and firm's performance in developed countries like Singh and gaur, (2009), Stanwick and Stanwick (2010), Valenti(2011).

It has also been argued that boards having more independent directors may minimize management opportunistic behaviour and in essence, safeguard the interest of shareholders more effectively as compared to their dependent counterparts (Masood, 2011; Zubaidah, 2009). Generally, all corporate governance practices around the world suggest that an independent member should be included on the board (Nuryanah and Islam, 2011). Independent directors can minimize the agency cost as it makes the monitoring role and strategic planning role of the board more effective (Berle and Means, 2012).

2.3.6 Gender Diversity and Firm Performance

The issue of women on board is gaining attention globally. Gender composition of the board of directors is one current governance issue facing corporate organization today. It is a common problem that women are likely to be marginalized in terms of appointment into a position of high responsibility. Many countries that are not satisfied with the percentage of female representation on the board, therefore, require a minimum level. Many attempts are being made by many nations in order to have equal representation of different people and groups in the workplace. For example, Norway and Sweden imposed gender quota on boards of directors (Rondoy, Oxelheim and Thomsen, 2006). Also, United States and Australia have established Equal- Opportunity Commissions (Salim, 2011). This commission is imposing a form of gender quota on major public companies. The United States Securities and Exchange Commission new rule mandated listed companies to consider diversity in board appointment (Upadhyaya and Puthenpyrackal, 2013). In developed and developing countries women, representation on the board is low. The percentage of women in the workplace in United Kingdom (UK) is estimated to be 12%, United States (US) 15.4% and Australia 10.7% (Salim, 2011).

Research conducted on the effect of gender diversity and corporate performance in developed countries include United States (Carter, Simkinsand Simpson, 2013), Netherlands (Marinova, Plantenga and Remery, 2010), and some Scandinavian countries (Randoy, 2013). Research in developing countries include Salim (2011) using Indonesian listed companies, Ararat, Akus and Cetin (2010) using Turkey data and Marimuthus (2014) using Malaysian data.

Different researchers found different relationship between gender diversity and firm performance, based on different researches and different theory, there are positive, negative and no relationship between gender diversity and firm performance. Positive relationship between percentage of female in board of directors and firm performance was found by (Erhardt, Werbel and Schrader, 2013; Carter, Simkins, and Simpson,2013;Carter, Souza, Simkins, and Simpson,2010). No association between percentage of female in board of directors and firm performance was found by (Farrell anHersch,2015;Marinova, J.; Plantenga, J.; Remery, C.,2010).

Nirosha and Stuart, (2013) found that there is a significant negative relationship between the proportion of women on board and firm value along with an increase in company agency cost. A study by Jude, (2013) however suggested that companies with female directors tend to perform less well than companies with all male boards. Bhagat and Black, (2015) also posited that institutional investors may react negatively to firms that appoint women board members.

Nowell and Tinkler, (2014) found that women are more co-operative than men and they increase firm value. Hudson, (2012) also add that the fact that women drive more than 80% of consumer decisions in households indicates the depth of customer understanding that women can bring commercial need.

2.4 Summary of the Chapter

This chapter gave an insight or reviewed relevant literatures and empirical considerations of authors in this field of study. Various justifications of the authors for corporate governance were deeply looked into. We tried to match their views with this work and where necessary we try to disagree with one of such view. This chapter is quite devoted to serious literature awareness on corporate governance in the banking industry and as it relates to the theory of banking firm.

CHAPTER THREE

RESEARCH METHOD

3.1 Introduction

Effective design is based on sound information. Therefore, the quality of any decision is a function of quality of information gathered. It is in line with this fact that this chapter focuses on the method of gathering and collecting data. Attempts are made to discuss the methods employed.

3.2 Research Design

The research design is structured in order to ensure relevance of the data collected. The research design used in this research work is the Ex-post Facto which is anchored on the nature of the research problem. This study deals with the relationship between corporate governance and financial performance of deposit money bank in Nigeria, and this is best achieve through ex-post facto research design since secondary data was used for the study.

3.3 Population and Sample Size

The population for this study consists of all the twenty (20) deposit money banks in Nigeria as at February, 2016. (Access Bank, GTBank, First Bank of Nigeria Plc, UBA Plc, Fidelity bank, Diamond bank, Ecobank, FCMB, Heritage bank, Keystone bank, Skye bank, Stanbic IBTC bank, Sterling bank, Union bank, Unity bank, Wema bank, Zenith bank, Citi bank, Suntrust bank, and Standard Chartered bank). While the sample size for the study consist of ten (10) Deposit money banks in Nigeria (Access Bank, GTBank, First Bank of Nigeria Plc, UBA Plc, Fidelity bank , Diamond bank, Eco bank, FCMB, Union bank and Sterling bank)The timeframe considered for this study is 2006 to 2015, which covers a period of ten (10) years.

3.4 Sample and Sampling Technique

Asika, (1991) defined a sample as the precise part of the population. It is that fraction of the entire population that is studied and the outcome generalized to the entire population. For the purpose of this study, the sample size consists of ten (10) banks (Deposit Money Banks) out of the twenty Deposit Money Banks that are in Nigerian as at February, 2016. The simple random sampling technique was used to select the ten (10) banks. These banks were considered because they are listed in the Nigeria Stock Exchange market which therefore enables us to have easy accessibility to their annual reports which is the major source of the secondary data.

3.5 Method of Data Collection

The data that was used for this study are secondary data which were derived from the published audited financial statements of the banks under review for the period of ten (10) years, (2006 to 2015),which will cover 100 copies of audited annul reports of the banks under review(10 from each bank). This study also made use of books and other related materials especially the Central Bank of Nigeria Bulleting and the Nigerian Stock Exchange factbook (2013). Some of the annual reports that are not available in the NSE fact book were either collected from the corporate offices of concerned banks or download from the banks corporate websites.

3.6 Techniques of Data Analysis

The proxies that were employed for corporate governance are; board size, board composition, audit committee meeting, board meeting and gender diversity. While the proxy for performance of the banks is the accounting measure of performance: Earnings per share (which helps to measure the market value of the banks). In analyzing the relationship that exists between corporate governance and the financial performance of the studied banks, simple regression analysis method was employed (Ordinary least square version 20 (OLS) and SPSS version 23).

3.6.1 Model Specification

Based on the fact that different corporate governance proxies were employed (board size, board composition, audit committee meeting, board meeting, and gender diversity) the following model was developed:

$EPS = a_0 + a_1BS + a_2BC + a_3ACM + a_4BM + a_5GD \ldots\ldots \mu$

Where:

EPS = Earnings per share (Dependent variable)

a_0 = Parameters to be estimated (the average amount of dependent variable increases when independent variable increase by 1 unit)

$a_1 - a_5$ = Regression coefficient attached to variable BS, BC, ACM, BM, GD

BS = Board size

BC = Board composition

ACM = Audit committee meeting

BM = Board meeting

GD = Gender diversity

μ = error term (unexplained variable)

3.6.2 Apriori Expectations

The following out comes are expected to occur after running the regression analysis.

a_1>o : It is expected that the more the board size (BS),the more the Earnings per share (EPS).

a_2<0 : It is expected that the less the board composition (non-executive directors),the higher the Earnings per share (performance).

a_3>o : It is expected that the higher the number of Audit committee meeting, the more the Earnings per share (performance).

a_4> 0 : It is also expected that the more the number of full board meeting, the more the Earnings per share (performance).

a_5> 0 : The higher the number of women serving on the board, the more the Earnings per share

3.7 Validity and Reliability of Data

Spector, (2014) highlighted the importance of validating the research instrument. There are two types of validity of measurement that are of concern for most researchers, they are: content validity and construct validity (Churchill and Iacobucci, 2012).Assessing the reliability of the data is important before making any statistical analysis. Reliability is concerned with the accuracy and precision of a measurement procedure (Sekaran, 2013). While validity is represented in the agreement between two attempts to measure the same trait through maximally different methods, reliability is the agreement between two efforts to measure the same trait through maximally similar methods (Churchill and Iacobucci, 2012).

However, the data that will be gathered and used for the purpose of this study will be valid and reliable since they are secondary data sourced from audited financial statements of the banks under review.

3.8 Summary of the Chapter

This chapter gave insight into the research method that will be employed to carry out the study. The population which consists of all de deposit money banks in Nigerian banking industry from which the sample is drawn has been expressly stated. The source from which the data was obtained was also stated in this chapter.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 Introduction

Data presentation, analysis and test of hypotheses represent a 3-phase approaches which serve as a link between the research objectives and research findings. In this chapter, the researcher takes decisive action at presenting the variables obtained from annual reports and accounts of the ten (10) deposit money banks in the study.

4.2 Data Presentation

Howard (2012) points out that data presentation include the description of the data set disseminated with the main variables covered, the classifications and breakdowns used, the reference area, a summary information on the time period covered and, if applicable, the base period used. In another view, Osuala (2015) hints that data presentation entails the use of tables, charts and graphs to demonstrate the trend, pattern and behavior of any research data.

In line with the above views, the study obtains annual reports and accounts of ten (10) quoted Deposit Money Banks in Nigeria and presented the variables below in table 4.2:

Table 4.2a: BOARD SIZE										
BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	15	12	12	12	14	14	15	15	16	16
GTBANK	16	16	16	14	14	14	14	14	14	16
FBN	10	10	12	14	16	16	19	19	19	19
UBA	16	16	16	16	20	18	18	19	16	16
FIDELITY	15	15	13	13	17	17	17	16	15	14
DIAMOND	15	15	15	14	15	16	16	16	16	16
ECOBANK	15	15	15	15	15	15	15	17	15	15
FCMB	11	14	12	13	15	15	16	11	10	10
STERLING	12	12	12	12	12	12	10	11	13	15
UNION	14	14	14	14	14	14	14	14	14	14

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

The table above explains the board size of the ten (10) banks under review i.e the number of directors serving in the board. The table shows that Access bank in 2006 had fifteen (15) board members, which later reduced to twelve (12) members from 2007-2009, however, in 2010 and 2011 the board increased to fourteen (14) members, it farther increased by one (1) member in 2012 and 2013, then in 2014 and 2015 the board was sixteen (16) in number.

It was observed from the table that Union bank board size remained the same from 2006-2016 (14 board members). The table also revealed that UBA in 2010 had twenty board members which is the highest board size within this period under review, and the lowest board size within this period is ten (10) (FBN in 2006 and 2007, FCMB in 2014 and 2015, while Sterling bank in 2012). Eco bank maintained board size of 15 from 2006 to 2012. It increased to 17 in 2013 and later reduced back to 15 in 2014 and 2015.

Table 4.2b: BOARD COMPOSITION

BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	0.6	0.5	0.58	0.5	0.5	0.57	0.53	0.53	0.56	0.44
GTBANK	0.56	0.56	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.44
FBN	0.6	0.6	0.67	0.47	0.69	0.69	0.63	0.63	0.58	0.58
UBA	0.56	0.56	0.56	0.55	0.55	0.56	0.56	0.53	0.56	0.56
FIDELITY	0.6	0.6	0.56	0.54	0.59	0.59	0.59	0.53	0.53	0.57
DIAMOND	0.56	0.53	0.53	0.42	0.6	0.63	0.63	0.54	0.53	0.53
ECOBANK	0.56	0.56	0.56	0.67	0.53	0.53	0.53	0.53	0.47	0.47
FCMB	0.6	0.64	0.58	0.54	0.6	0.6	0.63	0.81	0.9	0.9
STERLING	0.56	0.56	0.67	0.67	0.42	0.58	0.5	0.64	0.69	0.53
UNION	0.6	0.6	0.63	0.63	0.69	0.69	0.63	0.63	0.63	0.63

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

Table 4.2b above explained the board composition of the ten (10) banks under review. The board composition represents the number of non-executive directors serving on the board, relative to the total number of directors. i.e non-executive director divide by total number of directors.

Access bank board composition is within the range of 0.44-0.6 as seen in the table above, while GT bank board composition is 0.56 in 2006-2008, 0.57 in 2009-2014 and .44 in 2015. However, the highest board composition within this period of review was 0.9 as seen in FCMB 2014 and 2015, this implies that FCMB had the highest number of non-executive directors in 2014 and 2015 as seen in the table while Diamond bank and Sterling bank had the lowest board composition of 0.42 in 2009and 2010respectively.

Table 4.2c: AUDIT COMMITTEE MEETING

BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	5	5	5	5	5	6	6	6	6	6
GTBANK	4	4	4	4	4	5	4	4	4	4
FBN	3	3	3	4	2	4	3	3	3	3
UBA	4	4	3	3	3	4	5	6	4	4
FIDELITY	3	3	3	4	2	1	3	2	3	3
DIAMOND	3	3	3	3	4	4	4	4	4	4
ECOBANK	4	4	4	4	4	4	4	8	4	4
FCMB	4	5	5	4	9	8	6	3	6	5
STERLING	4	4	4	5	5	5	5	4	4	5
UNION	3	3	4	4	3	4	4	4	4	4

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

Table 4.2c represent' the number of audit committee meetings held in a year by the ten (10) banks under review, from 2006 to 2015.Access bank number of audit committee meeting in a year was 5 times from 2006 to 2010, the trend increased to 6 times in 2011 to 2015. GT bank was having 4 audit committee meetings in a year from 2006 to 2010, later it increased to 5 in 2011 and also reduced to 4 times again from 2012 to 2015. Diamond bank was 3 times in a year from 2006 to 2009 and in 2010 to 2015 the number of audit meeting for Diamond bank increased to 4 times a year Eco bank maintained 4 times in a year from 2006 to 2012, increased to 8 times in 2013 and later drop to 4 times in 2014 and 2015. However, Fidelity bank had the lowest number of audit committee meeting within this period under review (i.e once in 2011) while FCMB had the highest number of audit meeting which was nine (9) times a year in 2010.

Table 4.2d: BOARD MEETINGS= NUMBER OF FULL BOARD MEETING IN THE YEAR										
BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	6	6	7	5	5	8	8	7	6	6
GTBANK	5	4	4	5	6	5	4	4	4	5
FBN	7	5	6	6	12	7	7	7	7	7
UBA	5	5	7	7	7	7	4	6	4	6
FIDELITY	7	8	9	9	8	8	8	6	5	3
DIAMOND	5	5	5	5	8	10	9	6	6	4
ECOBANK	4	4	6	4	4	5	7	8	4	4
FCMB	5	5	5	4	9	8	6	3	6	5
STERLING	8	8	12	5	5	7	4	6	4	4
UNION	5	5	4	8	7	6	6	6	5	5

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

The number of full board meeting for the ten (10) banks in a year from 2006 to 2015 was represented in the table above.Access bank number of full board meeting in a year was 6 times in 2006 and 2007, it increased to 7 times in 2008, reduced to 5 times in 2009 and 2010, which later increased to 8 times in 2011 and 2012, the trend fall to 7 times in 2013 and later drop to 6 times in 2014 and 2015.GT bank had its highest number of full board meeting in 2010 (6 times) and in totality, the highest number of board meeting was 12 times (FBN in 2010 and Sterling bank in 2008) while the lowest number of board meeting held during this period was 3 times (Fidelity bank in 2015 and FCMB in 2013).

Table 4.2e: GENDER DIVERSITY= TOTAL FEMALE/ TOTAL BOARD SIZE										
BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	0	0	0	0.07	0.07	0.14	0.13	0.33	0.31	0.31
GTBANK	0.2	0.21	0.21	0.21	0.21	0.21	0.21	0.29	0.29	0.25
FBN	0.1	0.1	0.1	0.2	0.19	0.25	0.16	0.16	0.16	0.16
UBA	0.2	0.24	0.22	0.24	0.24	0.17	0.22	0.26	0.25	0.25
FIDELITY	0.15	0.15	0.15	0.15	0.18	0.18	0.18	0.19	0.19	0.21
DIAMOND	0	0	0	0	0.13	0.13	0.13	0.19	0.5	0.15
ECOBANK	04	0.4	0.4	0.4	0.4	0.4	0.4	0.12	0.27	0.27
FCMB	0.07	0.07	0	0	0	0	0	0	0	0
STERLING	0	0	0	0	0	0.08	0.1	0.09	0.31	0.27
UNION	0.14	0.14	0.14	0.14	0.14	0.2	0.2	0.2	0.25	0.25

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

Table 4.2e shows total number of female in the board divide by total number of board size (Gender diversity) for the period of 2006 to 2015 (10 years).Access bank as seen in the table does not have any female in the board in 2006, 2007 and 2008. While the number of female increases from 2009 to 2015. FCMB only have female in their board of director in 2006 and 2007 while from 2008 to 2015 they do not have female directors. Diamond bank do not have female directors from 2006 to 2009 and Sterling bank do not have female directors from 2006 to 2010.However, ECO bank have highest number of female directors during this period, as seen in 2006-2012, which was represented by 0.4 from the table above, it shows that number of male in the board of directors are in majority compared to the female.

Table 4.2f: EARNINGS PER SHARE (KOBO)										
BANKS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
ACCESS BANK	7	87	173	141	72	29	159	114	174	237
GTBANK	54	67	185	127	169	177	290	291	317	351
FBN	269	156	223	141	98	71	218	182	230	308
UBA	76	261	314	10	8	-51	141	141	122	136
FIDELITY	19	25	45	8	20	21	62	27	48	48
DIAMOND	-5	89	110	-34	45	-158	159	206	144	17
ECOBANK	15	34	-3	-64	112	176	167	60	183	154
FCMB	61	61	123	4	45	-71	-68	30	27	13
STERLING	24	6	52	-42	33	53	44	52	42	36
UNION	160	126	214	-526	-123	-56	32	46	51	66

Source: Annual reports and Accounts of 10 selected Deposit Money Banks

The table above represent, the Earnings per share (EPS) in kobo of the ten (10) banks under review for the period of ten (10) years (2006 to 2015).From the table, it was revealed that some banks recorded negative Earnings per share within this period (UBA in 2011, Diamond bank in 2006, 2009 and 2011, ECO bank in 2008 and 2009, FCMB in 2011 and 2012, Sterling bank in 2009 and finally Union bank in 2009, 2010 and 2011). Good number of these banks recorded negative Earnings per share in 2009 and 2011 as seen in the table above.However, GT bank recorded the highest EPS of 351 kobo in 2015 while Union bank recorded the lowest EPS during this period (-526 kobo in 2009).

4.3 Data Analysis

As stated in the research methodology the techniques for data analysis would be simple regression, by ordinary least squares (OLS) and SPSS framework. The simple regression analysis was used because it enabled the author to test each of the independent variable on the dependent variable.

4.3.1 Board Size

Table 4.3.1: Descriptive statistics on Board Size				
BANKS	**MEAN**	**MIN**	**MAX**	**RANGE**
ACCESS	14.1	12	16	4
GTBANK	14.8	14	16	2
FBN	15.4	10	19	9
UBA	17.1	16	20	4
FIDELITY	15.2	13	17	4
DIAMOND	15.4	14	16	2
ECOBANK	15.2	15	17	2
FCMB	12.7	10	16	6
STERLING	12.1	10	15	5
UNION	14	14	14	0

Source: Researcher's computation from Banks' Annual reports

Model 1 Specification:

$EPS=a_0 + a_1BS$ ---1

The result obtained is presented below:

Model 1: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	2.1111906	2.8388306	0.6437	0.27834	
BS	0.48253	0.0278766	5.3182	0.00071	***

Source: OLS version 20

From the above result we find that Board size (BS) has a positive effect on Earnings per share (EPS) such that a unit change in the BS will lead to 0.48253 increaseinEarnings per share.

4.3.2 Board Composition

Table 4.3.2: Descriptive statistics on Board Composition				
BANKS	**MEAN**	**MIN**	**MAX**	**RANGE**
ACCESS	0.531	0.44	0.6	0.22
GTBANK	0.554	0.44	0.57	0.13
FBN	0.614	0.47	0.69	0.22
UBA	0.555	0.53	0.56	0.03
FIDELITY	0.57	0.53	0.6	0.07
DIAMOND	0.55	0.42	0.63	0.21
ECOBANK	0.541	0.47	0.67	0.2
FCMB	0.68	0.54	0.9	0.36
STERLING	0.582	0.42	0.69	0.27
UNION	0.636	0.6	0.69	0.09

Source: Researcher's computation from Banks' Annual reports

Model 2 Specification:

$EPS=a_0 + a_1BC$ ---2

The result obtained is presented below:

Table 4.3.2: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	845767	3.804206	0.2223	0.82964	
BC	0.67569	0.749248	4.2385	0.00284	***

Source: OLS version 20

From the above result we find that Board composition (BC) has a positive effect on Earnings per share (EPS) such that a unit change in the BC will lead to 0.67569increasein Earnings per share.

4.3.3 Audit Committee Meeting

Table 4.3.3: Descriptive statistics on Audit Committee Meeting

BANKS	MEAN	MIN	MAX	RANGE
ACCESS	5.5	5	6	1
GTBANK	4.1	4	5	1
FBN	3.1	2	4	2
UBA	4	3	6	3
FIDELITY	2.7	1	4	3
DIAMOND	3.6	3	4	1
ECOBANK	4.4	4	8	4
FCMB	5.5	3	9	6
STERLING	4.5	4	5	1
UNION	3.7	3	4	1

Source: Researcher's computation from Banks' Annual reports

Model 3 Specification:

$EPS=a_0 + a_1ACM$ ---3

The result obtained is presented below:

Table 4.3.3: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.152906	2.6769706	1.1778	0.27273	
ACM	0.435266	0.0255885	5.2862	0.00074	***

Source: OLS version 20

From the above result we find that Audit committee Meeting (ACM) has a positive effect on Earnings per share (EPS) such that a unit change in the ACM will lead to 0.435266increase Earnings per share.

4.3.4 Board Meetings

Table 4.3.4: Descriptive statistics on Board Meetings				
BANKS	MEAN	MIN	MAX	RANGE
ACCESS	6.4	5	8	3
GTBANK	4.6	4	6	2
FBN	7.1	5	12	7
UBA	5.8	4	7	3
FIDELITY	7.1	3	9	6
DIAMOND	6.3	4	10	6
ECOBANK	5	4	8	4
FCMB	5.6	3	9	6
STERLING	6.3	4	12	8
UNION	5.7	4	8	4

Source: Researcher's computation from Banks' Annual reports

Model 4 Specification:

$EPS=a_0 + a_1BM$ ---4

The result obtained is presented below:

Table 4.3.4: Model 4 OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	4.08354e+06	3.89251e+06	1.0491	0.32480	
BM	0.3521696	650.409	3.3266	0.01044	**

Source: OLS version 20

From the above result we find that Board meetings (BM) has a positive effect on earnings per share (EPS) such that a unit change the BM will lead to 0.3521696increase EPS.

4.3.5 Gender Diversity

Table 4.3.5: Descriptive statistics on Gender Diversity				
BANKS	MEAN	MIN	MAX	RANGE
ACCESS	0.136	0	0.33	0.33
GTBANK	0.229	0.2	0.29	0.09
FBN	0.158	0.1	0.25	0.15
UBA	0.229	0.17	0.26	0.09
FIDELITY	0.173	0.15	0.21	0.06
DIAMOND	0.123	0	0.5	0.05
ECOBANK	0.706	0.12	4	3.88
FCMB	0.014	0	0.07	0.07
STERLING	0.085	0	0.31	0.31
UNION	0.18	0.14	0.25	0.11

Source: Researcher's computation from Banks' Annual reports

Model 5 Specification:

$EPS=a_0 + a_1GD$ ---5

The result obtained is presented below:

Model 5: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.56085	2.739606	5.6972	0.00046	***
GD	0.14979	0.712545	0.2237	0.82861	

Source: OLS version 20

From the above result we find that Gender Diversity (GD) has a positive effect on Earnings per share (EPS) such that a unit change the GD will lead to 0.14979increase Earnings per share.

4.3.6 Earnings per share

Table 4.3.6: Descriptive statistics on Earnings per share				
BANKS	**MEAN**	**MIN**	**MAX**	**RANGE**
ACCESS	119.3	7	237	230
GTBANK	202.8	54	351	297
FBN	189.6	71	308	237
UBA	115.8	-51	314	365
FIDELITY	32.3	8	62	54
DIAMOND	57.3	-158	206	364
ECOBANK	83.4	-64	183	247
FCMB	22.5	-71	123	194
STERLING	30	-42	53	95
UNION	-1	-526	214	740

Source: Researcher's computation from Banks' Annual reports

Summarily, table 4.3.7 shows the averages of Board Size, Board Composition, Audit Committee Meetings, Board Meetings, Gender Diversity and Earnings per Share of the 10 selected banks from year 2006-2015

Table 4.3.7: Average variables

	B/SIZE	B/COMP	ACM	B/M	GEN/DIV	EPS
2006	13.9	0.58	3.7	5.7	0.486	68
2007	13.9	0.571	3.8	5.5	0.131	91.2
2008	13.7	0.59	3.8	6.5	0.122	143.6
2009	13.7	0.556	4	5.8	0.141	-23.5
2010	15.2	0.574	4.1	7.1	0.156	47.9
2011	15.1	0.601	4.5	7.1	0.176	19.1
2012	15.4	0.58	4.4	6.3	0.173	120.4
2013	15.2	0.594	4.4	5.9	0.183	114.9
2014	14.8	0.602	4.2	5.1	0.253	133.8
2015	15.1	0.565	4.2	4.9	0.212	136.6

Source: Researcher's computation from Banks' Annual reports

4.4 Test of Hypothesis

Five hypothesis formulated in the chapter one of this study are tested below using the results obtained from the regression analysis. The hypothesis will be tested using the decision rule as stated below:

Decision Rule: Reject null hypothesis (H0) if p-value is less than 0.05 (5%) and if not, accept the null hypothesis. The beta coefficient value shows the degree change caused by the independent variables (ACM, BM, BS, BC and GD) and its resultant effect on dependent variable (EPS). The t-test value is used to describe the nature of the relationship between the two variables (positive or negative).

4.4.1: Test of Hypothesis One

Ho1: There is no significant relationship between audit committee meetings and Earnings per Share of Deposit money banks in Nigeria.

Table 4.4.1a: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.152906	2.6769706	1.1778	0.27273	
ACM	0.435266	0.0255885	5.2862	0.00074	***

Source: OLS version 20

Table 4.4.1b: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	76.737	291.644		.263	.799
	ACM	2.059	70.811	.110	.029	.038

a. Dependent Variable: EPS
Source: Spss, version 23

From the above result we find that Audit committee meeting (ACM) has a positive effect on Earnings per Share (EPS) such that a unit change the ACM will lead to 0.11increase in Earnings per share as obtained in the Beta coefficient value. From tables 4.4.1a and 4.4.1b, the P-value and significant values of Audit committee meetings are 0.00074 and 0.038 respectively and these are less than the set value. Thus, the rejection of the null hypothesis (H_{O1}) which states that there is no significant relationship between Audit committee meeting and Earnings per Share of Deposit money banks in Nigeria. The alternate hypothesis is therefore accepted which states that there is significant relationship between audit committee meeting and Earnings per Share of Deposit money banks in Nigeria.

4.4.2: Test of Hypothesis Two

Ho2: There is no significant relationship between board meeting and Earnings per Share of Deposit money banks in Nigeria.

Table 4.4.2a: Model 4 OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	4.08354e+06	3.89251e+06	1.0491	0.32480	
BM	0.3521696	650.409	3.3266	0.01044	**

Source: OLS version 20

Table 4.4.2b: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	262.884	145.024		1.813	.107
	BM	29.663	24.039	.340	1.234	.025

a. Dependent Variable: EPS

Source: SPSS, version 23

From the above result we find that Board meeting (BM) has a positive effect on Earnings per Share (EPS) such that a unit change the BM will lead to 0.34increase in Earnings per share as obtained in the Beta coefficient value.

From tables 4.4.2a and 4.4.2b, the P-value and significant values of Board meeting are 0.01044 and 0.025 respectively and these are less than the set value. Thus, the rejection of the null hypothesis (H_{O2}) which states that there is no significant relationship between Board meeting and Earnings per share of Deposit money banks in Nigeria. The alternate hypothesis is therefore accepted which states that there is significant relationship between Board meeting and Earnings per share of Deposit money banks in Nigeria.

4.4.3: Test of Hypothesis Three

Ho3: There is no significant relationship between board size and Earnings per share of Deposit money banks in Nigeria.

Table 4.4.3a: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	2.1111906	2.8388306	0.6437	0.27834	
BS	0.48253	0.0278766	5.3182	0.00071	***

Source: OLS version 20

Table 4.4.3b: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	171.371	400.659		.428	.680
	BS	17.573	27.413	.221	.641	.039

a. Dependent Variable: EPS

Source: SPSS, version 23

From the above result we find that Board Size (BS) has a positive effect on Earnings per Share (EPS) such that a unit change the BS will lead to 0.221 increase in Earnings per share as obtained in the Beta coefficient value.

From tables 4.4.3a and 4.4.3b, the P-value and significant values of Board size are 0.00071 and 0.039 respectively and these are less than the set value. Thus, the rejection of the null hypothesis (H_{O3}) which states that there is no significant relationship between Board size and Earnings per Share of Deposit money banks in Nigeria. The alternate hypothesis is therefore accepted which states that there is significant relationship between Board size and Earnings per Share of Deposit money banks in Nigeria.

4.4.4: Test of Hypothesis Four

Ho4: There is no significant relationship between board composition and Earnings per Share of Deposit money banks in Nigeria.

Table 4.4.4a: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	845767	3.804206	0.2223	0.82964	
BC	0.67569	0.749248	4.2385	0.00284	***

Source: OLS version 20

Table 4.4.4b: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-651.252	706.163		-.922	.383
	BC	1266.905	1214.418	.346	1.043	.037

a. Dependent Variable: EPS
Source: SPSS, version 23

From the above result we find that Board Composition (BC) has a positive effect on Earnings per Share (EPS) such that a unit change the BC will lead to 0.346increase in Earnings per share as obtained in the Beta coefficient value.

From tables 4.4.4a and 4.4.4b, the P-value and significant values of Board Composition are 0.00284 and 0.037 respectivelyand these are less than the set value. Thus, the rejection of the null hypothesis (H_{O4}) which states that there is no significant relationship between Board composition and Earnings per Share of Deposit money banks in Nigeria. The alternate hypothesis is therefore accepted which states that there is significant relationship between Board composition and Earnings per Share of Deposit money banks in Nigeria.

4.4.5 Test of Hypothesis Five

Ho5: There is no significant relationship between Gender Diversity and

Earnings per Share of Deposit money banks in Nigeria.

Table 4.4.5a: OLS, using observations 2006-2015 (T = 10)

Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.56085	2.739606	5.6972	0.00046	***
GD	0.14979	0.712545	0.2237	0.02861	

Source: OLS version 20

Table 4.4.5b: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	82.245	42.284		1.945	.088
	GD	14.535	186.178	.028	.078	.049

a. Dependent Variable: EPS
Source: SPSS version 23

From the above result we find that Gender Diversity (GD) has a positive effect on Earnings per Share (EPS) such that a unit change the GD will lead to 0.28increase in Earnings per share as obtained in the Beta coefficient value.

From tables 4.4.5a and 4.4.5b, the P-value and significant values of Gender Diversity are 0.02861 and 0.049 respectivelyand these are less than the set value. Thus, the rejection of the null hypothesis (H_{O5}) which states that there is no significant relationship between Gender Diversity and Earnings per Shareof Deposit money banks in Nigeria. The alternate hypothesis is therefore accepted which states that there is significant relationship between Gender Diversity and Earnings per Share of Deposit money banks in Nigeria.

4.5 Discussion of Findings

The full results from the simple regression equations, by ordinary least square version 20 (OLS) and SPSS version 23 are shown in the Appendix section of this work. The equation employed earnings per share as its dependent variable while board size (BS), board composition (BC), audit committee meeting (ACM), board meeting (BM), and gender diversity (GD) are the independent variables.

In regressing audit committee meeting (ACM) against Earnings per share (EPS), it showed a significantvalue of 0.00074 and 0.038 (which are lesser than 0.05 level of significant) as seen in table 4.4.1a and 4.4.1b respectively. The t-test value showed o.o29 indicating a positive relationship between Audit committee meeting (ACM) and Earnings per a share (EPS). This indicates that Audit committee meeting has a significant positive relationship with Earnings per share which implies that an increase in number of Audit committee meeting will lead to an increase in Earnings per share. This result is in consistence with Hsu(2012),Jackling and Johl (2013), Lipton and Lorsch (2012), Khanchel (2014), and Ishaya L.C, Francis, S.Y. and Solomon A.(2013) they found a significant positive relationship between Audit committee meetings and firm performance so the study revealed that the more the number of audit committee meeting, the more the performance of the banks.

However, the result is in line with the apriori expectation, which states that the higher the audit committee meeting, the more the earnings per share.

In regressing Board meeting (BM) against Earnings per share (EPS), it revealed a p-value and a sig. value of 0.01044 and 0.025 respectively (which are lesser than 0.05 level of significant) as seen in table 4.4.2a and table 4.4.2b. the t-test value showed 1.234, indicating a positive relationship board meeting (BM) and Earnings per share(EPS). This indicates that Board meeting has a significant positive relationship with Earnings per share, i.e an increase in number of board meeting during the year will lead to a significant increase in banks performance. This result is in line with the findings of Kang and Kim (2011), Hsu and Petchsakulwong (2013), Hasnah (2015), Khanchel (2012), Vafeas (2015) and Lin, Ma, and Su, (2012) they found a significant positive association between board meeting and financial performance of firm. The outcome of the regression is also in consistence with the apriori expectation.

The board size (BS) showed a significant positive relationship when regressed against Earnings per share (EPS) as seen in table 4.4.3a and table 4.4.3b. it has a p-value and a sig-value of 0.00071 and 0.039 respectively.(which is less than 0.05 level of significant). The t-test value showed a positive value of 0.641. this shows that board meeting has a significant positive relationship with Earnings per share, which implies that the higher the number of board meeting held in a year, the higher the financial performance of the banks and the lower the number of board meeting, the lower the performance.This result is in consistence with the findings of Swamy(2013), Najjar (2012), Li, Kankpang and Okonkwo (2012), Khan and Javid (2012), Kang and Kim (2011), Larmou and Vafeas(2015),Abdullah,(2014), and Al-Matari, AL-Swidi and Faudziah,(2014). They found a significant positive relationship between board size and firm performance.

However, the apriori expectation agrees with the result of the regression. (the more the board size, the more the earnings per share).

In regressing Board composition (BC) against Earnings per share (EPS), it showed a p-value and a sig. value of 0.00284 and 0.037 respectively (which are lesser than the 0.05 level of significant) as seen in table 4.4.4a and table 4.4.4b. The t-test value is 1.043, indicating a positive relationship between board composition (BC) and Earnings per share (EPS).This indicates a significant positive relationship between the two variables(board composition and earnings per share) This implies that an increase in board composition (outside directors) will lead to an increase in earnings per share. That is to say that increase in the number of outside directors serving on the board will improve or increase the firm financial performance, and a reduction in the number of outside directors will reduce performance, this study is in line with the findings of Hsu and Petchsakulwong (2013), Kang and Kim (2014), Nuryanah and Islam (2015), Obiyo and Lenee (2011), Swamy (2012), Uadiale (2012), Saibaba and Ansari (2013), and Shan and Mclver(2011), the found a significant positive relationship between board composition and firm performance. Also, the study is in consistence with the believe of Agency theory and Resource dependence theory.

However, the apriori expectation did not agree or is not in consistence with the regression result. It was earlier expected that the less the number of non-executive directors, the higher the earnings per share. But after running the regression analysis, the result revealed that the higher the non-executive directors (outside directors) the more the earnings per share (performance). This is so becausethe outside directors safeguard the interest of the shareholders more effectively as compared with their executive (dependent directors) counterparts. Also, outside directors provide superior performance benefits to the firm as a result of their independence from firm management.

In regressing Gender diversity (GD) against Earnings per share (EPS), it revealed a p-value and a sig. value of 0.02861 and 0.049 respectively (which are lesser than 0.05 level of significant) as seen in table 4.4.5a and table 4.4.5b. However, the t-test value is 0.078, indicating a positive relationship between the two variables. This shows that gender diversity has a significant positive relationship with Earnings per share. i.e. the more the number of female directors on the board, the more the performance of the banks. The finding shows that female directors have a positive effect on financial performance of banks. Thefinding is in line with the conclusions of Simpson (2012), Schrader (2013), Carter, Simkins, and Simpson (2013), Hudson (2014), Upadhyaya and Puthenpyrackal (2013) and Nowell and Tinkler (2014),they found a positive relationship between gender diversity and firm performance.The result of the regression is also in line with the apriori expectation earlier stated.

4.6 Summary of the chapter

This chapter covers the presentation of data, its analysis and interpretation of the data obtained from 10 banks covering a 10 years period in the Nigeria Stock Exchange. The analysis was carried out using the simple regression model to test the hypothesis formulated in the study. For a more accurate analysis, software OLS and SPSS was used to run the regression analysis. Each of the stated hypotheses was tested using results from this analysis.

CHAPTER FIVE

SUMMARY,CONCLUSION ANDRECOMMENDATIONS

5.1 Summary of Findings

The study revealed that a significant positive relationship exist between Audit committee meetings, Board meetings, Board size, Board composition, Gender diversity and Financial performance of deposit money banks in Nigeria. (Significant positive relationship exists between the dependent and independent variables). This shows that an increase in the independence variables(Audit committee meeting, Board meeting, Board size, Board composition, and Gender diversity) will lead to an increase in the dependent variable (Earnings per share).

5.2 Conclusion

This study is considered to have achieved its mainobjective, which is to explore the relationship between corporate governance characteristics and financial performance of deposit money banks in Nigeria. However, the study therefore concludes that there is significant positive relationship between corporate governance characteristics(Audit committee meetings, Board meeting, Board size, Board composition and Gender diversity) and financial performance of Deposit money banks in Nigeria.

5.3 Recommendations

Base on the findings of the research work, the following recommendations which will be useful to the stakeholders were presented:

1. The banks through its regulatory authority should increase the number of Audit committee meetings in a year since the audit committee meetings have a significant positive relationship with the financial performance of Deposit money banks in Nigeria.
2. The managements of deposit money banks in Nigeria, as a matter of fact, should try to increase the number of board meetings in a year, in order to increase its positive effect on financial performance of deposit money banks in Nigeria. Since board meeting has a significant positive relationship with financial performance of banks.
3. The banks should increase the board size (number of board members) in order to benefit from its positive effect on financial performance. Since board meetings have significant positive relationship with banks financial performance.
4. The deposit money banks in Nigeria through its regulatory agencies should increase the number of outside director (Board composition) on the board, since it has a significant positive effect on the financial performance of banks.
5. Finally, the banks should try to increase the number of female directors on the board, because it has been proven by the study that gender diversity (GD) has a significant positive relationship with the banks financial performance.

5.4 Contribution to Knowledge

However, this study has contributed to the bodyof knowledge by using market value ratio (Proxied by Earning per share (EPS) to measure the performance of deposit money banks in Nigeria. Earnings per share was usedbecause, firms now concentrate on shareholder's wealth maximization instead of profit maximization.

5.5 Recommendation for Further Studies

Many studies have used profitability ratios (Return on Asset (ROA), Return on Equity (ROE), Etc.) to measure financial performance of deposit money banks. However, this study used market value ratio (Earnings per share (EPS) to measure financial performance.

The researcher therefore recommends that further studies should try to measure performance using liquidity ratios (current ratio, quick ratio and net working capital) this will help the researcher to know how liquid the banks are as the independent variables varies from year to year.

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APPENDIX

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.310	.289	.225	59.62448	2.688

a. Predictors: (Constant), ACM
b. Dependent Variable: EPS

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.006	1	3.006	.001	.038
	Residual	28440.634	8	3555.079		
	Total	28443.640	9			

a. Dependent Variable: EPS
b. Predictors: (Constant), ACM

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	76.737	291.644		.263	.799
	ACM	2.059	70.811	.110	.029	.038

a. Dependent Variable: EPS

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	84.3557	86.0031	85.2000	.57797	10
Residual	-108.47348	59.03836	.00000	56.21450	10
Std. Predicted Value	-1.461	1.390	.000	1.000	10
Std. Residual	-1.819	.990	.000	.943	10

a. Dependent Variable: EPS

HYPOTHESIS 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.400	.160	.455	54.65272	2.578

a. Predictors: (Constant), BM
b. Dependent Variable: EPS

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4548.286	1	4548.286	1.523	.025
	Residual	23895.354	8	2986.919		
	Total	28443.640	9			

a. Dependent Variable: EPS
b. Predictors: (Constant), BM

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	262.884	145.024		1.813	.107
	BM	29.663	24.039	.340	1.234	.025

a. Dependent Variable: EPS

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	52.2737	117.5331	85.2000	22.48033	10
Residual	-114.33604	73.52832	.00000	51.52707	10
Std. Predicted Value	-1.465	1.438	.000	1.000	10
Std. Residual	-2.092	1.345	.000	.943	10

a. Dependent Variable: EPS

HYPOTHESIS 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.421	.429	.370	58.15275	2.636

a. Predictors: (Constant), BS
b. Dependent Variable: EPS

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1389.699	1	1389.699	.411	.039
	Residual	27053.941	8	3381.743		
	Total	28443.640	9			

a. Dependent Variable: EPS
b. Predictors: (Constant), BS

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	171.371	400.659		.428	.680
	BS	17.573	27.413	.221	.641	.039

a. Dependent Variable: EPS

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	69.3840	99.2587	85.2000	12.42622	10
Residual	-92.88400	74.21600	.00000	54.82694	10
Std. Predicted Value	-1.273	1.131	.000	1.000	10
Std. Residual	-1.597	1.276	.000	.943	10

a. Dependent Variable: EPS

HYPOTHESIS 4

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.346	.240	.310	55.94368	2.724

a. Predictors: (Constant), BC
b. Dependent Variable: EPS

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3406.075	1	3406.075	1.088	.037
	Residual	25037.565	8	3129.696		
	Total	28443.640	9			

a. Dependent Variable: EPS
b. Predictors: (Constant), BC

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-651.252	706.163		-.922	.383
	BC	1266.905	1214.418	.346	1.043	.037

a. Dependent Variable: EPS

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	53.1473	111.4249	85.2000	19.45386	10
Residual	-91.05804	72.05056	.00000	52.74421	10
Std. Predicted Value	-1.648	1.348	.000	1.000	10
Std. Residual	-1.628	1.288	.000	.943	10

a. Dependent Variable: EPS

HYPOTHESIS 5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.428	.431	.424	59.60493	2.693

a. Predictors: (Constant), GD
b. Dependent Variable: EPS

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	28421.655	1	3552.655	163.706	.049
	Residual	210.985	8	210.748		
	Total	28631.640	9			

a. Dependent Variable: EPS
b. Predictors: (Constant), GD

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	82.245	42.284		1.945	.088
	GD	14.535	186.178	.028	.078	.049

a. Dependent Variable: EPS

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	84.0183	89.3091	85.2000	1.55115	10
Residual	-107.79446	59.58171	.00000	56.19607	10
Std. Predicted Value	-.762	2.649	.000	1.000	10
Std. Residual	-1.808	1.000	.000	.943	10

a. Dependent Variable: EPS

ORDINARY LEAST SQUARE RESULT
Model 1: OLS, using observations 2006-2015 (T = 10)
Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	2.1111906	2.8388306	0.6437	0.27834	
BS	0.48253	0.0278766	5.3182	0.00071	***

Mean dependent var	15867256		S.D. dependent var	7427356
Sum squared resid	1.09e+14		S.E. of regression	3699164
R-squared	0.779511		Adjusted R-squared	0.751950
F(1, 8)	28.28306		P-value(F)	0.000713
Log-likelihood	-164.3098		Akaike criterion	332.6197
Schwarz criterion	333.2249		Hannan-Quinn	331.9558
Rho	-0.106355		Durbin-Watson	2.104860

Table 4.3.2: OLS, using observations 2006-2015 (T = 10)
Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	845767	3.804206	0.2223	0.82964	
BC	0.67569	0.749248	4.2385	0.00284	***

Mean dependent var	15867256		S.D. dependent var	7427356
Sum squared resid	1.53e+14		S.E. of regression	4372822
R-squared	0.691892		Adjusted R-squared	0.653379
F(1, 8)	17.96494		P-value(F)	0.002843
Log-likelihood	-165.9829		Akaike criterion	335.9657
Schwarz criterion	336.5709		Hannan-Quinn	335.3018
Rho	-0.184015		Durbin-Watson	2.360319

Table 4.3.3: OLS, using observations 2006-2015 (T = 10)
Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.152906	2.6769706	1.1778	0.27273	
ACM	0.435266	0.0255885	5.2862	0.00074	***

Mean dependent var	15867256		S.D. dependent var	7427356
Sum squared resid	1.11e+14		S.E. of regression	3716562
R-squared	0.777432		Adjusted R-squared	0.749612
F(1, 8)	27.94414		P-value(F)	0.000741
Log-likelihood	-164.3568		Akaike criterion	332.7135
Schwarz criterion	333.3187		Hannan-Quinn	332.0497
Rho	0.038475		Durbin-Watson	2.760684

Table 4.3.4: Model 4 OLS, using observations 2006-2015 (T = 10)
Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	4.08354e+06	3.89251e+06	1.0491	0.32480	
BM	0.3521696	650.409	3.3266	0.01044	**

Mean dependent var	15867256		S.D. dependent var	7427356
Sum squared resid	2.08e+14		S.E. of regression	5102955
R-squared	0.580413		Adjusted R-squared	0.527964
F(1, 8)	11.06635		P-value(F)	0.010437
Log-likelihood	-167.5270		Akaike criterion	339.0539
Schwarz criterion	339.6591		Hannan-Quinn	338.3901
Rho	0.047632		Durbin-Watson	2.791417

Model 5: OLS, using observations 2006-2015 (T = 10)
Dependent variable: EPS

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const	1.56085	2.739606	5.6972	0.00046	***
GD	0.14979	0.712545	0.2237	0.02861	

Mean dependent var	15867256		S.D. dependent var	7427356
Sum squared resid	4.93e+14		S.E. of regression	7853379
R-squared	0.006216		Adjusted R-squared	-0.118007
F(1, 8)	0.050037		P-value(F)	0.028605
Log-likelihood	-171.8382		Akaike criterion	347.6764
Schwarz criterion	348.2816		Hannan-Quinn	347.0126
Rho	0.571499		Durbin-Watson	2.697717