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EFFECT OF CORPORATE GOVERNANCE CODES ON RETURN ON EQUITY OF NIGERIAN DEPOSIT MONEY BANKS

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Abstract

The central bank of Nigeria in a bid to curb the turbulence that had troubled the Nigeria banking industry for decades introduced the Codes of Corporate Governance in order to stabilize the industry and enhance the banks performances. It is against this backdrop that this study examined the effect of corporate governance codes on the return on equity of the Nigeria deposit money banks. The study used secondary data from a sample of ten banks covering eight years and employed multivariate regression techniques, ordinary least squares in the study. The study finds that corporate governance codes have an insignificant positive effect on return on equity of the selected banks. Consequently, the study recommends that corporate governance codes should be further reviewed so that they can significantly improve on profitability of deposit money banks in Nigeria.

Keywords: Corporate Governance, Deposit Money Banks, Return on Equity

1. Introduction

The severe level of crisis within the financial sector globally has been a bane for concern of which the Nigeria banking sector had also experienced her share of the turbulence with several banks distresses and collapses which necessitated the introduction of the compulsory N25billion capital base required for continual operation of any Deposit Money Bank (DMB) in Nigeria in 2006, leading to series of mergers, acquisition and takeovers of some banks thereby reducing the number of DMBs from 89 to 24 (Barros and Caporale, 2012). Additionally, the global financial meltdown necessitated the further review of the twenty four (24) banks during bank's stress test embarked upon by Central Bank of Nigeria (CBN) which resulted to the removal of 7 MD/CEOs as well as their board of directors and replaced them with CEOs and directors appointed by the CBN in 2009 and making available to the banks a bailout line thus rescuing the banks from total collapse all confirmed the unhealthy state of the Nigeria DMBs which was largely attributed to lack of adequate Corporate Governance (CG) mechanisms thereby necessitating the establishment of various codes of corporate conducts for Nigerian corporate institutions to sanitize, stabilize and enhance the performances of the banks.

It is against this backdrop that this study examined the effect of corporate governance codes on the return on equity of the Nigeria deposit money banks

Several works had been done on the effect of CG on returns on equity (ROE) of firms and organisations globally however, fewer works had been done specifically on its effect on the banks. Ashenafi, Kelifa and Yodit (2013) in their study investigated the relationship between selected CG mechanisms and performance as measured by Return on Owners Equity (ROE) of Ethiopian's bank using multivariate regression analysis, found among others that, board size and availability of audit committee in the board had statistically significant negative effect on ROE. Also Ogbulu and Emeni (2012b) assessed the correlation between CG and bank performance using two of the CG codes of board composition and ownership structure as proxy for corporate governance. They administered structured questionnaires on a sample of fourteen (14) banks and observed negative correlation between the CG indicators used in the study and performance of banks in Nigeria.

Meanwhile, Black et al (2002) who studied the effect of CG on Korean firms' performance using Tobin's q found that a moderate increase in CG with 10 basis points in the CG index, predicts a meager increase in Tobin's q of 40 percent of the equity value respectively. Also Farzin and Masoud (2012) in their study on the Influence of CG on firms Performance of 77 quoted firms on the Tehran Stock exchange using multiple regression analysis noted that Performance of companies proxied with future stock return, found that strategies of CG had significant impact on stock returns.

Furthermore Uwuegbu (2011) studied the effect of CG on Financial Performance of Listed Banks in Nigeria using Pearson Correlation and panel data regression analysis, adopting board size, proportion of non executive directors, directors' equity interest and CG disclosure index as proxies for CG and ROE as one of the performance variables noted a mixed effect in that while some banks revealed significant improvement in ROE others had no difference at all, showing that researches in this field were inconclusive.

Therefore, the objective of this study is to review the impact of CG codes on the ROE with particular emphasis on Nigeria DMBs. Thus the research seeks to investigate whether CG codes had effect on the ROE of DMBs in Nigeria? Consequently, in order to provide answer to the above question the research tested the following hypothesis

Ho CG codes have no significant effect on ROE of DMBs in Nigeria.

H₁ CG codes have a significant effect on ROE of DMBs in Nigeria.

This study shall be of significance because the capital market seems to have experienced a sharp drop in Nigeria market capitalization during the 2009 crises which nosedived from N13.3trillion in 2007 to N5.3trillion in 2009 (Oladipupo, 2010). This was partly attributed to poor CG as may be construed from the calls for further review of the codes. Thus the outcome of this study may lead to enhanced investor's confidence, which could further attract foreign investors thereby creating an expansion in the economy. Additionally, the study may serve as a reference point to governmental organization saddled with policy formulation and implementation, such as the CBN and SEC as regards the effectiveness and applicability of such policies.

Emphasis in this study was restricted to DMBs operational in Nigeria and since the main code of CG for banks in Nigeria was established with effect from April 3, 2006 and was made mandatory for banks to comply, the study covered eight year reporting period beginning from 2008 to 2015.

CG had been described variously by different scholars depending on the perspectives from which it is viewed and that there is no singular, universally acceptable definition of CG especially that which is agreeable to all scholars (Mayes, Halme and Liuksila, 2001). Meanwhile CG has been described as science of controlling, ruling and steering a corporate body. The CBN (2003) define CG as ‘the processes and structures by which the business and affairs of an institution are directed and managed, in order to improve long-term shareholder value by enhancing corporate performance and accountability, while taking into account the interest of other stakeholders. Meanwhile Farzin and Masoud (2012) viewed it as the structure that “dictates how rights and responsibilities have to be distributed among role players such as members of the administrative board, managers, stockholders, and other beneficiaries”. Hence CG can be described as the system through which corporate organizations are directed and controlled.

In order to bring some sanity into the banking sector, the bankers committee in the year 2003 at the heel of SEC also came up with the Code of CG for Banks and other Financial Institutions in Nigeria. (CBN, 2003). However, the introduction of the code was more of persuasive than mandatory hence necessitating a setting up of the Peterside committee which reviewed the code and came up with the 2006 version of the code. The need for this review also became imperative due to the banking consolidation which took place in 2006, thus identifying gaps that were not addressed in the previous code. (CBN,2006). However, since the introduction of the code of CG post consolidation in 2006, it is expected that it would have an effect on the performance of the banks thereby necessitating this study. Consequently, the CBN in 2006 codifies the element of CG in Nigeria DMBs with major focus on the following (i) Equity Ownership, (ii) Executive Duality, (iii) Quality of Board Membership, (iv) Board Performance Appraisal, (v) Quality of Management, (vi) Reporting Relationship, (vii) Transparency, Due Process, Data Integrity and Disclosure Requirements, (viii) Risk Management and (ix) Role of Auditors. (CBN,2006). Appendix 1 summarizes the 2006 CBN codes of CG for banks in Nigeria.

Claessens and Yurtoglu (2012) informed that CG could be viewed along two broad categories. The first concerns corporate behavioral patterns, as measured by performance, efficiency, growth, financial structure, and treatment of shareholders and other stakeholders. The second focuses on the normative approach which prescribed the regulatory frameworks under which organisations operate, with the rules originating from sources such as the legal and regulatory system, financial markets and factor (labour) markets. In this study, our focus is on the former with the objective of determining the nature of relationship which exist between banks performance and corporate governance. The equity owners are more interested in the returns generated on their stakes in the bank; hence they are more disposed to the use of ROE which gives the picture of how effective each stock had been put to work within the period under consideration. Thus the return on equity focuses on just the equity component of the investment. It gives the picture of the earnings left over for equity investors after debt service costs have been factored in to the equity invested in the asset (Damodaran, 2007) and (Petersen and Schoeman 2008).

One major theory that had been identified with the study is the agency theory, as it exerts some degree of influence on the study. The Agency theory centered around issues in governance of corporate organisation having large numbers of owners or shareholders and because of the largeness of the shareholders, certain separate individuals are allowed and authorized to control the organisation and use their collective capital and resources for future profiteering. The relationship which subsists between the owners and the managers is called principal and agents relationship.

Coleman, (2007) emphasized that the underlining agency problem common with modern corporations resulted from the separation between finance and management of the corporate bodies due to the separation of the ownership and management. These individual entrusted with the managements of the corporation are expected to possess necessary professional skills required to manage and direct the affairs of the companies.

To resolve this problems Jensen and Fama (1983) attempted to identify factors that could assure the survival of organisations where this agency relationship exist and in doing so they prescribed two possible approaches, that there must first, be a well and efficiently designed principal-agent risk-bearing mechanism and secondly these mechanisms must be appropriately monitored through the nexus of organizations and contracts. Although the contracts may not solve all the problems since designing a contract covering all areas of conflicts may not be feasible in practice, (Cullen, Kirwan and Brennan, 2006) thus where contracts fail to achieve completeness the, principal may put reliance on internal and external CG mechanisms to monitor the agent which comes at an additional cost in form of bonding cost and residual Agency costs.

Consequently, Battilossi (2003) proposed that to address the key issues regarding managers opportunistic behaviours within the Agency theory, the composition of directors which is a key CG attribute should be made up of more non executive directors so as to reduce the conflict of interest and ensure board independence in monitoring and passing fair judgment on management. Additionally, the non CEO duality should be enforced to reduce the possibility of concentration of power in one individual thereby reducing undue influence of any particular management and board members.

Various empirical studies on the effect of CG on corporate organizations performance had presented three divergent results. Specifically, some studies outrightly maintained that there were no effect at all; while others reported negative effect meanwhile some others studies still reported positive effect on banks performance. (Falade et al. 2017).

Oso and Semiu (2012) investigated CG in terms of ensuring effective corporate communication to achieve corporate accountability and stakeholders' confidence in the operations of firms. A qualitative study was carried out while, materials for the analysis were obtained from secondary source. The main findings from the paper noted that Public Relations in form of disclosure, openness of Corporate Communication strategies are essential in realising the objectives of CG and that the utilization of such strategies will facilitate better participation by various stakeholders, stimulate mutual understanding, build social support and ensure better

accountability and openness. Such strategies would also help in attitude and behavioural change required to instill in the operators of corporate organizations the best practice enshrined in CG codes.

Okoye et. al. (2020) studied the relationship between practices of governance and profitability of Nigeria banks with return on equity as one of the proxy for financial performance. The study adopted the size of the board and director equities as proxy for corporate governance with firm size as control variable. Using the generalised moments method (GMM), the study found that governance in banks has a strong effect on financial performance as measured by Return on equity. However, the coverage of the study was limited to board size and directors stake alone as proxy for corporate governance. These do not represent the full spectrum of corporate governance mechanisms which the current study seeks to explore.

In the same vane Kyere and Ausloos (2020) also reviewed the impact of good corporate governance on performance of two hundred and fifty-two (252) non- financial firms listed on the London stock exchange. The study examined five corporate governance mechanisms using two financial performance proxies of Tobin's Q and return on assets. Adopting cross sections regression methodology. The study recorded positive, negative and in some cases non effect on performance thus providing a mixed findings makings studies in this field inconclusive

Kowalewski, O. (2012) studied the impact of governance on the performance of privately defined contribution pension plans using a hand collected data set with yearly information on all Polish pension funds for the years 1999–2010. Two different sets of variables were used on governance factors, to measure the performance of the pension funds. The return on the pension's unit and Sharp ratio were adopted while monthly information on the pension's unit return and Polish T-bills are used as risk-free assets. The second set of variables employed measured the economic performance of the pension fund firm (PTEs). Return on equity (ROE) was used as one of the proxies for profitability's measures. Regressions were run by Ordinary Least Square (OLS), with the fixed-effects model, and the Tobit model while the study shows that the external and internal governance mechanisms in pension plans have weak impact on the performance of the Polish pension funds.

Ashenafi, Kelifa and Yodit (2013) examined the CG mechanisms and their impact on performance of Ethiopian's commercial banks. The banks financial data employed covered a period of 2005 to 2011 in an economy without an organised stock exchange. Specifically, the study investigated the relationship between selected internal and external CG mechanisms, and bank's performance as measured by Return on Owners Equity (ROE). The study used Board size, audit committee, bank size, as proxy for internal governance mechanisms while Capital adequacy ratio (CAR), capital ratio (CR), loan to deposits ratio (LDR), and loan loss provision (LLP) were used as proxy for external CG attributes.

Findings from the study show that on the internal governance variables, board size and availability of audit committee in the board had statistically significant negative effect on the performance of the banks while bank size had statistically significant positive effect on ROE. Likewise, on the external CG mechanisms, capital adequacy ratio had statistically significant

positive effect on ROE while absence of an organized stock exchange; high government intervention; lack of CG awareness, absence of national standards of corporate governance, absence of accounting and auditing standards and weak legal framework to protect minority shareholder's rights are the major CG factors which had adverse impact on bank performance in Ethiopia.

One major gap observed in the study of Ashenafi, et.al (2013) was that it was carried out on an economy with weak legal framework and standards and without an organised stock market unlike Nigeria where these factors had already been established to a large extent.

Ogbulu and Emeni (2012b) studied CG and banks performance in Nigeria with the aim to investigate whether there exists a positive correlation between CG and bank performance using board composition and ownership structure as proxy for corporate governance. They adopted a cross sectional survey research design in which structured questionnaires were used to elicit information from the selected sample of fourteen (14) banks out of the twenty-one (21) banks listed on the Nigerian Stock Exchange (NSE). The researcher used the lottery method of simple random sampling technique by assigning a number to each bank which are then entered separately into equal size papers and placed in a basket and papers randomly picked from the lot with the aid of a blindfolded assistance. The researcher then utilised primary source of data by administering questionnaires and personal interviews.

Linear Correlation Coefficient was used to analyse the data in order to test the level of association between CG attributes (board composition and ownership structure) and bank performance and findings from the research revealed that there was a negative correlation between the CG indicators used in the study and performance of banks in Nigeria. However, the main shortfall of this approach is that board composition and ownership structure are just two of the many CG attributes, hence could not be representative of the whole.

Okereke, Abu and Anyanwu. (2011) also studied the Impact of CG on the Performance of Nigerian DMBs. They examined the relationship between CG practices in Nigerian DMBs (DMBs) vis-a-vis their financial performances covering a period of 2002-2006. Primary data were collected through the use of questionnaire administered to Managers of the twenty-four existing DMBs, while secondary data were also sourced from CBN and NSE which was subsequently tested using Statistical Package for Social Sciences (SPSS). The regression result revealed a significant relationship and positive correlation between CG and banks' performance. A major gap observed on this study was that the study was conducted before the introduction of the modified CBN code of CG of 2006 which mandated the enforcements of several CG attributes unlike that of 2003. Thus many of the issues in the study were based on the 2003 code which was considered weak, necessitating a review which ultimately resulted into the 2006 CBN code of corporate governance.

The empirical literature reviewed, revealed that some of the CG attributes have some significant impact on the performance of firms while others believe CG has nil or negative effect. However as to which will have positive or negative effect depends on other sub-factors such as the legal,

regulatory framework and the economy on which the firm is situated thus empirical research in this field are still ongoing and inconclusive.

3. Methods of the research

The population of the study comprised of all the 21 DMBs operating in Nigeria and quoted on the Nigeria Stock Exchange (NSE) as at 31st December 2015. Ten banks were selected as the sample size after employing a three-point filter to eliminate banks that are unsuitable for collecting data for the study. These filters are: (i) Banks must have been operational and listed on the NSE as at 2006 and remained listed as at 31st December 2013. (ii) Banks identity must not have been changed due to the banking consolidation of 2005 and government intervention strategy of 2009 (iii) Also the bank must retain its identity as a national bank based on the new CBN classification. This filtration was applied to ensure accessibility and relevancy of comparable data for years under review. The sample size of 10 out of the original population of 21 banks represents 42.8% of the population and is considered sufficient to provide a valid and reliable result as previous studies had established that 30% is sufficient enough as sample size to provide a justifiable result (Kantudu 2006 and Okpanachi 2011).

Secondary data was sourced from bank's annual reports and statements covering period of 2008 to 2015. Data was also sourced from the CBN, NDIC publications as well as NSE. The techniques adopted in the data analysis included the use of descriptive statistics and multivariate regression analysis. Other tests were also conducted to validate the classical linear regression model (CLRM) assumptions. ROE, was adopted as the performance variable while the independent variables of CG codes were proxied by MGQ, BCZ, BPA, ETP, TDD, ACI and RMG. Also the control variables are proxied by BKZ and BDP and constructed the regression model as:

$$ROE_{it} = \beta_0 + \beta_1 MGQ_{it} + \beta_2 BCZ_{it} + \beta_3 BPA_{it} + \beta_4 ETP_{it} + \beta_5 TDD_{it} + \beta_6 ACI_{it} + \beta_7 RMG_{it} + \beta_8 BKZ_{it} + \beta_9 BDP_{it} + \varepsilon_{it}$$

Dependent variable - ROE = Return on Equity.

Independent variables - MGQ = Quality of Management

BCZ = Board Composition/ Size

BPA = Board Performance appraisal

ETP = Equity Ownership type percentage

TDD = Transparency, due diligence and Disclosure,

ACI = Audit Committee Independence.

ACI = Roles of Auditor

RMG = Risk Mgt

Control variables- BKZ =, Bank Size (N.log of the year end total assets)

BDP = Bank Depositor type. (N. log of Total Deposits.)

i = bank holding identifier

t = year

ε = error term

A constant error term ε was included in the model so as to satisfy the first assumption of the Classical Linear Regression Model that the expected value of the errors must be zero. ROE gives the picture of how effective each stock had been put to work within a period under consideration. Thus the return on equity focuses on just the equity component of the investment.

It gives the picture of the earnings left over for equity investors after debt service costs have been factored in to the equity invested in the asset (Damodaran, 2007) and (Petersen and Schoeman 2008); consequently, the accounting representation of ROE is: Return on Equity (ROE) = Net profit After Taxes / Owners Equity

The independent variables reviewed are those specifically defined by the CBN 2006 CG code of conduct, which are explained as in table 2.

Table 2. Summary and Proxy of CBN (2006) CG code.

S/N	ATTRIBUTES	PROXY	CODE
1	Quality of Management	Academic, experience and integrity	MGQ
2	Quality of Board Membership	Board composition/Size	BCZ
3	Board Performance Appraisal	Performance Versus Target	BPA
4	Equity Ownership	Single Ownership of 10% or More	OTP
5	Transparency, Due Process, Data Integrity and Disclosure Requirements,	No of statements of Statement of Disclosure made out of the 46 requested by CBN code	TDD
6	Role of Auditors	Audit Committee Independence	ACI
	Risk Management,	Risk Mgt Unit Headed by an ED	RMG
7	Executive Duality	Board Chairman Acting as CEO	EDU

Source: Developed from CBN (2006) CG code. Also cited in Falade et. Al (2017)

4. Result and Discussion

	N	Min	Max	Mean	Std. Dev	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ROE	80	-.16	1.18	.1307	.17133	3.720	.269	20.436	.532
MGQ	80	.76	1.00	.8613	.04782	-.086	.269	-.405	.532
BCZ	80	.42	.91	.5990	.08669	.548	.269	1.816	.532
BPA	80	.00	1.00	.4375	.49921	.257	.269	-1.984	.532
ETP	80	.00	1.00	.5875	.49539	-.362	.269	-1.917	.532
TDD	80	.00	1.00	.5625	.49921	-.257	.269	-1.984	.532
ACI	80	.40	1.00	.9635	.11675	-3.856	.269	15.300	.532
RMG	80	.00	1.00	.9250	.26505	-3.289	.269	9.044	.532
BKZ	80	.00	1.00	.5750	.49746	-.309	.269	-1.954	.532
BDP	80	.00	1.00	.3500	.47998	.641	.269	-1.630	.532
Valid N (listwise)	80								

Source: output of data analysis using SPSS

From table 3., the mean of the performance variable ROE is 13% which shows weak equity utilization of the banks for the years under review. The descriptive statistics on the independent variables revealed 86% compliant level for management quality (MGQ) as dictated by the 2006 code of corporate governance. This shows that both experienced and highly qualified personnel are engaged at the top management level of the selected banks. On the other hand, the quality of Board membership (BCZ) showed a mean of 60% compliant signifying an average compliant level in the proportion of none ED to the numbers of total directors of the banks.

The board performance appraisal (BPA) show a mean of 44% which revealed a weak level of compliance with the 2006 code of CG for the banks within the years under review. Also, the mean of Equity ownership stands at 59%. This shows an average compliant level with the 2006 code of CG requirement which seeks to control equity holding of an individual investor, corporate and government bodies so as to avoid concentration of power on an individual.

The descriptive statistic also shows a mean of 56% compliance level with the code on transparency, Due process, data integrity and disclosure (TDD) requirement which is considered an average compliant rating. However, the mean of the role of auditors (ACI) shows a 96% compliant level which suggests a very high level of compliant with the code thereby giving the impression of very high credibility and independence in the roles of auditors.

Additionally, the descriptive statistics also show a 92% compliant level with the code's requirement on risk management. It revealed that almost all the banks under review actually posses a robust risk management outfit covering the establishment of risk management committee, ensuring adequacies of documented policies and procedures and compliance with applicable laws and regulations at all levels of the bank in compliance with the requirement of the code.

Furthermore, the control variables of bank size (BKZ) revealed that 58% of the banks are big banks in terms of total assets size thus supporting the need to control for larger banks. Meanwhile, the mean of bank deposit of 35% shows that only 35% of the banks effectively utilize their assets to generate large deposit. The standard deviation shows that most of the variables on the average are not too dispersed from their means confirming that the data is not skewed and good enough to produce a reliable result.

Table 4. Summary of Regression Result (ROE)

Dependent Variable: ROE	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.228	.273		.836	.406
MGQ	.422	.284	.170	1.485	.142
BCZ	.262	.143	.202	1.832	.071
BPA	-.048	.031	-.215	-1.526	.132
ETP	-.024	.027	-.105	-.884	.380
TDD	-.045	.027	-.199	-1.651	.103

ACI	-.013	.110	-.014	-.120	.905
RMG	-.063	.046	-.149	-1.364	.177
BKZ	-.034	.035	-.154	-.989	.326
BDP	-.003	.035	-.013	-.085	.933
R-					0.493
R- Squared					0.245
Adjusted R- Squared					0.145
F- Change					2.491
F- Sig					0.116
Source: output of data analysis using SPSS					

This result shows that only 25% variance of banks performance as indicated by R² is accounted for by variation in CG codes. The remaining 75% can be explained by factors other than CG codes.

Based on this result, model 2 may also be represented as:

$$ROE = 0.228 + 0.422MGQ + 0.262BCZ - 0.048BPA - 0.024ETP - 0.045TDD - 0.013ACI - 0.063RMG - 0.034BKZ - 0.003BDP \dots\dots\dots(2)$$

This relationship also revealed that MGQ and BCZ, has positive relationship with ROE thus suggesting that increase in these variables will lead to increase in ROE. However other variables BPA, ETP, TDD, ACI and RMG have a negative relationship with ROE meaning that increase in their compliance will lead to reduction in ROE.

Again, the overall relationship though positive is considered weak and statistically insignificant which is in line with our apriori expectation of hypothesis 2 in the null form, which predicted that CG codes have no significant impact on the Return on equity (ROE) of DMBs in Nigeria. Since the result shows a very insignificant level at 12% which is higher than the acceptable criteria set at 5% in chapter three. Therefore, we accept H₀₂ in the null form.

However, findings from this study differ from findings of Ashenafi, Kelifa and Yodit (2013) who studied CG and impact on Ethiopian bank’s performance. Their study found that some CG attributes had significant negative effect on the performance of the banks while bank size had statistically significant positive effect on bank performance indicating mixed findings.

The study conclude that CG codes have no significant impact on Return on Equity (ROE) of DMBs in Nigeria. This also implies that despite the focus of the CG codes on top management effectiveness in owners’ equity utilization, the 2006 code of CG did not totally address the excesses observed among the top managements of banks. Further the findings on ROE seem to suggest that CG codes of 2006 was not working effectively in Nigeria as regards to profitability reporting and that factors responsible for improvements in return on equity are beyond the corporate governance codes.

The study concludes that although the mean of the CG codes of MGQ, BCZ, ETP, TDD, ACI and RMG (with the exception of BPA) all indicate a very high compliance level among the banks with the requirement of the CG codes, yet the mean of performance variable ROE indicate a very dismal performance level of the banks in terms of total equity utilization for the years under review. The control variables also revealed that although majority of the banks are mega banks yet the large equity base were not being efficiently utilised to generate sufficient profitability of the banks.

5.2 Recommendation

The study recommends that investors and board of directors need to pay proper attention to those codes that may significantly impact their organizational performance while implementing corporate governance codes for their institutions. Also there is the need for policy makers and regulatory bodies to strengthen CG codes to a level that they can significantly impact on profitability of DMBs in Nigeria.

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