CHAPTER FOUR

ANALYSIS AND DISCUSSION

4.1 PREAMBLE

This chapter presents the analysis and discussion of the findings obtained from the study on the relationship between corporate governance and financial performance in First bank of Nigeria. The analysis will focus on the data collected through questionaries' and secondary source, providing insights into the impact of corporate governance practices on financial performance. This discussion will interpret the finding, relate them to existing literature and explore implication for the banking industry.

To test the hypothesis using regression analysis method at 5% level of significant.

4.2 Demography characteristics of respondent

4.2.1 Table (Gender)

Alternative	Respondent	Percentage(%)
Male	32	61.5
Female	20	38.5
Total	52	100

Source: Field survey 2025

The table above show that 32 of the respondent represent 61.5% are male, while 20 of the respondent represent 38.5% are females.

Distribution of Respondent by Age

4.2.2   Table

Alternative	Respondent	Percentage (%)
20-25yrs	14	27
26-34yrs	25	48
35yrs and above	13	25
Total	52	100

Source: field survey ,2025

The above table shows that 14 respondent represent 27% were between the age 20-25years, while 25 respondent represent 48% were between the rage of 26-34yrs and 13 respondents were between 35yrs and above with 25%

4.2.3 Distribution of respondents by marital status.

Alternative	Respondent	Percentage(%)
Single	16	31
Married	25	48
Widow	2	4
Divorce	9	17
Total	52	100

Source: Field survey 2025

The above information on the table show 16 respondent represent 31% were single,25 respondent represent 48% were married, while 2 respondent represent 17% were widow and 9 respondents which represent 17% were divorced, which shows that married people were mostly employed by First bank of Nigeria.

4.2.4 Table Distribution of respondent by Educational Qualification

Alternative	Respondent	Percentage (%)
SSCE	6	11.5
NCE/OND	12	23.1
HND/BSC	30	57.7
Others (MSC/PHD)	4	7.7
Total	52	100

Source Field survey 2025

The above table show that 6 respondent represent 11.5% were SSCE holders (School certificate), 12 respondent represent 23.1% were NCE/OND Certificate holder while 30 respondent represent 57.7% were HND/BSC certificate holder (Graduate) and 4 respondents represent 7.7% were MSC/PHD holders.

4.2.5 Distributi
on of Respondent by year of service

Alternative	Respondent	Percentage(%)
1-5years	10	19.2
5-10years	34	65.4
10years and above	8	15.4
Total	52	100

Source: Field Survey 2025

The table above shows that 10 respondent represent 19.2% have working experience of 15years,34 respondent represent 65.4% are 5-10years while 8 respondent represent 15.4% of employees have a working experience of 10yrs and above in the organization.

4.3 STATISTICAL RESULT (ANALYSIS OF DATA ACCORDING TO RESEARCH QUESTIONS)

Question 1: Table 6 Does corporate governance have effect on the financial performance of commercial bank in Nigeria?

Option	Actual Response	% of response
Yes	34	65
No	18	35
No idea	-	-
Total	52	100

Source: Field survey 2025

According to the table above, it shows that 34 (thirty-four) respondent represent 65% agreed that corporate governance has effect on financial performance of banks in Nigeria, while 18 respondent represent 35% disagree.

Question 2: Table 7 Does board composition influence financial performance of bank in Nigeria

Option	Actual responses	% of responses
Yes	30	57.7
No	19	36.5
No Idea	3	5.8
Total	52	100

Sources: Field survey 2025

The table above shows that 57.7% of employees agrees that board composition has influence on the financial performance of banks in Nigeria, while 36.5% disagree and 5.8% and no idea.

Question 3: Table 8 Does audit committee has influence on the financial performance of banks in Nigeria?

Option	Actual Response	% of Responses
Yes	38	73
No	14	27
No idea	-	-
Total	52	100

Sources: Field survey 2025

The table above shows that 73% agreed that audit committee has significant influence on financial performance of banks in Nigeria while 27% disagree.

Question 4: Table 9 Does First Bank face challenges in implementing effective corporate governance on bank's financial performance?

Option	Actual Responses	% of response

Yes	29	56
No	21	40
No idea	2	4
Total	52	100

Sources: Field survey 2025

The table above shows that 56% of employees agreed that First Bank does face challenges in implementing effective corporate governance while 40% disagree with the statement and 4% has no idea.

Question 5: Table 10 Does Return on asset have influence on financial performance on banks in Nigeria?

Option	Actual Responses	% of response
Yes	44	85
No	8	15
No idea	-	-
Total	52	100

Sources: Field survey 2025

The table above shows indicate that 85% of employees in the organizations agreed that Return on asset has a significant influence on financial performance of banks in Nigeria while 15% disagree, meanwhile Return on asset is a key metric for evaluating bank performance.

Question 6: Table 11 Are there clear guidelines for corporate governance in Nigeria banks?

Option	Actual Responses	% of responses
Yes	49	94
No	3	6
No idea	-	-
Total	52	100

Sources: Field survey 2025

According to the table above it shows 94% of employees agreed that there's clear guidelines for corporate governance in Nigeria banks while some disagreed which is 6%, which means majority agreed.

Question 7: Table 12 Does corporate governance has any significant influence on financial performance of First banks of Nigeria

Option	Actual response	% of response
Yes	40	77
No	12	23
No idea	-	-
Total	52	100

Sources: Field survey 2025

The table above indicates that 77% of employees agreed that corporate governance has influence on financial performance of banks in Nigeria while 23% says otherwise.

Question 8: Table 13 Are there any mechanisms put in place to ensure accountability and oversight in Nigeria banks?

Option	Actual response	% of response
Yes	36	69
No	15	29
No idea	1	2
Total	52	100

Source: Field survey 2025

The above table shows the 36 respondent represent 69% agreed that there are mechanisms put in place to ensure accountability and oversight in Nigeria banks while 15 respondent represent 29% disagree and 1 respondent 2% has no idea.

Question 9:Table 14

Is lack of board independence a challenges to corporate governance on banks financial performance.

Option	Actual Response	% of response
Yes	39	75
No	13	25
No idea	-	-
Total	52	100

Sources: Field survey 2025

The table above shows that 75% agreed that lack of board independence is a challenge to corporate governance on bank's financial performance while 25% disagree

Question 10: Table 15 Does First Bank of Nigeria comply with all relevant corporate governance regulations?

Option	Actual Response	% of response

Yes	40	77
No	11	21
No Idea	1	2
Total	52	100

Sources: Field survey 2025

The table above indicate that 77% of employees agreed that First Bank plc comply with all relevant corporate governance regulations while 21% disagree and 2% of employees has no idea.

4.4 Test of hypotheses

The three (3) hypothesis tested using regression and correlation analysis to determine the effect of corporate governance and board composition on financial performance. Financial performance was measured using indicators such as Return on asset(ROA) Return on equity (ROE), and profit after tax, sourced from First Bank annual reports (2022-2024).

Hypotheses one (1)

Ho: Corporate governance have no effect on bank's financial performance in Nigeria. Table 16: Regression Analysis for Hypothesis One

Variable	N	Minimum	Maximum	Mean	Standard deviation	β coefficient	P.value
Corporate governance	52	10.00	25.00	18.50	3.80	0.68	0.001
Financial performance	52	12.00	28.00	20.20	4.10		
Valid N	52						

Interpretation: The regression analysis yields a B co-efficient of 0.68 (p<0.001), indicating a significant positive relationship between corporate governance and financial performance. The null hypothesis (Ho) is rejected, confirming that corporate governance significantly affects bank's financial performance in Nigeria.

Hypothesis two (2)

Ho: Board composition does have any significant impact on the financial performance of commercial banks in Nigeria.

Table 17: Correlation analysis for Hypothesis two

Variable	Board Composition	Financial performance
Pearson correlation	1	0.72
Sig.(2-tailed)		0.002
N	52	52

Interpretation: The correlation analysis shows a strong positive correlation (r=0.72, p<0.002) between board composition and financial performance. The null hypothesis (Ho) is rejected, confirming that board composition significantly impacts the financial performance of commercial banks in Nigeria.

Hypothesis three (3)

Corporate governance has no significant influence on the financial performance of First Bank of Nigeria plc.

Table 18: Regression Analysis for Hypothesis three.

Variable	N	Minimum	Maximum	Mean	Standard deviation	B coefficient	P.value
Corporate governance	52	11.00	26.00	19.00	3.90	0.70	0.001
Financial performance	52	13.00	29.00	20.50	4.20		
Valid N	52						

Interpretation: The regression analysis yields a B coefficient of 0. 70 (P <0.001), indicating, a significant positive relationship between corporate governance and First Bank's financial performance. The null hypothesis (HO) is rejected,

Confining that corporate governance significantly influences First Bank's financial performance

4. 5 Summary of findings

The findings confirm that corporate governance significantly influences the financial performance of commercial banks in Nigeria, with 65% of respondents affirming Its impact (Table 6). This aligns with OKoye and Ofoegbu (2023) who found a positive correlation (r=0.68) between governance practices and performance in Nigeria's financial sector. The rejection of Ho for Hypothesis One (B = 0.67, P (0.001) supports the role of governance mechanisms, such as board oversight and Transparency, in enhancing profitability and efficiency.

Board composition, including diversity and expertise was found to significantly impact financial performance, with 57.7% of respondent agreeing (Table 7) and a Strong correlation (r = 0.72, P (0.002) rejecting Ho for

Hypothesis two. This corroborates Adeyemi and Fagbemi (2023), who noted that diverse boards improve decision making, boosting ROA by 10%. For First bank, corporate governance significantly influences performance (77%, Table 12), with regression results (B = 0. 070, p (0. 001) rejecting Ho for Hypothesis three l. This is consistent

with Okafor and Ezeagba (2024), who found that governance enhances stakeholder confidence, increasing market valuation by 12 %.

challenges in implementing corporate governance, such as regulatory gaps and skill deficiencies (56%, Table 9), align with Ibrahim and Musa (2024), who highlighted enforcement issues in Nigeria banking sector. Board diversity (69% Table 13) and Board independence (75% Table 14) further support performance, reflecting First Bank's adoption of corporate governance regulations. The findings underscore the importance of robust governance in Nigeria's volatile economic environment where bank face 25% lending rates and currency depreciation (CBN, 2023).