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THE IMPACT OF CORPORATE GOVERNANCE VARIABLES ON NON-PERFORMING LOANS OF NIGERIAN DEPOSIT MONEY BANKS

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ABSTRACT

The objective of the study was to examine the impact of Corporate Governance variables of Board size(BS), Board Composition(BC), Composition of Audit Committee(CAC) and power separation(PS) on Non-performing Loans of Nigerian Deposit Money Banks; with a view to finding out whether there is significant impact or not. The researcher used secondary sources of data. The study examined the corporate governance variables amongst fourteen (14) quoted banks on Nigerian Stock Exchange from 2005-2011 using multivariate regression analysis. The findings showed that corporate governance variables of Board size, Board Composition, composition of audit committee and power separation have no significant impact on non-performing loans of Nigerian Deposit Money Banks. The study concluded that board size, board composition, composition of audit committee and power separation is not the reasons for the rising figure of non-performing loans of Nigerian Deposit Money Banks. Therefore, it is recommended that emphasis should be shifted from these explanatory variables (BS, BC, CAC and PS) to other corporate governance issues, such as insider abuse, transparency and accountability and so on, for further investigation.

Keywords: Corporate governance, Non-performing loans, Nigerian deposit money banks, Board size, Board composition, Composition of audit committee.

Contribution/ Originality

This study is one of very few studies which have investigated the impact of variables such as Board size, Audit Committee composition, power separation and Board composition on non-performing loans. The paper's primary contribution is its finding that these variables have no impact on non -performing loans of Nigerian Deposit money banks.

1. INTRODUCTION

Poor Corporate Governance was recognized as one of the key factors in almost all identified cases of financial institutions distress in Nigeria. Several factors are responsible for poor corporate governance among Nigerian Deposit Money Banks. The factors among others include: Inadequate internal control procedures, incompetent Board of Directors and Management, inefficient Audit Committee, non-disclosure of information, inadequate management capacity, poor relationship between management and staff. These weaknesses in corporate governance accounted for high level of non-performing loans discovered in the financial statements of Nigerian Deposit Money Banks recently. (Abdullahi, 2011).

Several Nigerian Deposit Money Banks have faced situations of financial distress which often have been blamed on poor corporate governance, however research has not established the corporate governance variables that are responsible for the financial distress, and this is the problem that this research has set out to solve.

In order to forestall or mitigate the weaknesses in Corporate Governance, the Central Bank of Nigeria (CBN) in 2006, pronounced a set of codes of corporate governance that should be mandatorily observed by Nigerian Deposit Money Banks in day to day operations of the banks. They are: Equity ownership, Organizational structure, Executive duality, quality of Board membership, Board performance appraisal, quality of Management, reporting relationship, industry transparency, due process, data integrity and disclosure requirement.

In the day-to-day transactions of banks, credits are granted to customers with the expectation of repayment at the end of a specified time. However, sometimes such credits remain uncollectible; these uncollectible credits constitute what is known as non-performing loans (NPLs). Nonperforming loans are loans that are no longer producing income for the bank that owns them. Loans become nonperforming when borrowers stop making payments and the loans enter default.

The prudential guidelines for licensed banks issued by Central Bank of Nigeria on November 7, 1990 define nonperforming loans as when: -

(i) Interest or principal of a credit facility is due and unpaid for 90 days or more.

(ii) Interest payments equal to 90 days interest or more have been capitalized, rescheduled or rolled over into a new loan.

Nworji *et al.* (2011) is of the view that the consistent increase in the figure of non-performing loans of Nigerian Deposit Money Banks in recent time has raised questions on the consistency of the corporate governance practices in the banking sector.

Over the past decades, the Nigerian Banking Industry had not been able to trigger the desired level of socio – economic growth and development in the country, which may be as a result of factors such as poor corporate governance vis-a-viz poor quality of risk assets, weak internal audit and high incidence of violation of shareholders' right. (Soludo, 2004). Similarly, Olayiwola (2010) is of the view that the financial crisis rocking Nigeria Deposit money banks is caused mainly by the monumental figure of non-performing loans reported in their financial statement. This underscores the need by Nigerian Deposit Money Banks to take stock of its corporate governance practices.

Corporate governance has therefore engaged the attention of accounting, finance, economic researchers, the investment community, lending institutions, and a host of other stakeholders in company affairs because of its apparent importance for the economic health of corporations.

The broad objective of this study is to examine the impact of corporate governance variables on non-performing loans of Nigerian Deposit Money Banks, using Board Size (BS), Board Composition (BC), Composition of Audit Committee (CAC) and Power Sharing (PS).

The specific objectives of the paper are to:

i. Ascertain the impact of Board Size on non-performing loans of Nigerian Deposit money banks.

ii. Ascertain the impact of Audit Committee Composition on non-performing loans of Nigerian Deposit money banks.

iii. Ascertain the impact of Power Separation on non-performing loans of Nigerian Deposit money banks.

iv. Ascertain the impact of Board Composition on non-performing loans of Nigerian Deposit money banks.

The rest of the paper is organized and presented around the following related themes:

- ✓ Conceptual considerations
- ✓ Statement of hypotheses
- ✓ methodology
- ✓ Data analysis and discussion of results
- ✓ Conclusion.
- ✓ Recommendations.

2. CONCEPTUAL CONSIDERATIONS

Corporate governance refers to the sum of the processes, structures and information used for directing and overseeing the management of an organization (Mayer, 1999). It is a system by which corporations are governed and controlled with a view to increasing shareholder's value and meeting the expectations of the other stakeholders. In other words, corporate governance is the system by which business corporations are directed and controlled to enhance performance and long-term shareholder value.

From existing literature, the concept of corporate governance is viewed from two perspectives, namely, the narrow and wider perspectives. The narrow approach to corporate governance is viewed by Arun and Turner (2002) as the mechanism through which shareholders are assured that managers will act in their interest. Oyejide and Soyibo (2001) explain this narrow view of corporate governance as the relationship of the enterprise to shareholders. It is concerned with the structures within which a corporate entity or enterprise receives its basic orientation and direction.

The wider view of corporate governance is concerned with the methods by which supplier of finance control managers in order to ensure that their capital cannot be expropriated and that they earn a return on their investment. It views corporate governance as the relationship of the enterprise to society as a whole. The broad perspective is regarded as being the heart of both a market economy and democratic society (Oyejide and Soyibo, 2001). In the case of banking institutions, the broader view of corporate governance is adopted because of the peculiar contractual form of banking which demands that corporate governance mechanisms for banks should encapsulate depositors as well as shareholders (Macey and Hara, 2010).

Arun and Turner (2002) supported Macey and Hara (2010) by arguing that the special nature of banking requires not only a broader view of corporate governance, but also government intervention in order to restrain the behavior of bank management.

Kay and Silberton (1995) acknowledge that the term corporate governance has been coined only very recently even though the issue has existed for as long as there have been social institutions. Detomasi (2002) States that, hitherto, matters relating to corporate governance were an esoteric branch of commercial law, normally considered the province of management and legal scholars, but today the subject is central to political and economic issues worldwide. The need for corporate governance derives from 'expectation gap' problem which arises when the behavior of corporate enterprise falls short of the shareholders' and other stakeholders' expectations (Achua, 2007). Kay and Silberton (1995) advance four reasons why corporate governance has gained phenomenal pre-eminence recently: (a) the increasing incidence of corporate fraud and corporate collapse on a previously unimagined scale; (b) the dominance of the corporation in modern business, occasioned principally by privatization and consolidation; (c) the collapse of socialism and centralized planning which has re-focused attention on different styles of capitalism which corporate governance both exemplifies and influences; and (d) greedy bosses which has significantly made corporate governance a subject also for tabloid headlines. The diverse perspectives on corporate governance have resulted to lack of a comprehensive and all-embracing framework for researchers investigating into this area (Turnbull, 1997). Despite the seeming diversity in corporate governance analyses and concerns, there is consensus that corporate governance is concerned with the ways in which all parties interested in the way the firm is run (the stakeholders) attempt to ensure that managers/directors and other insiders take measures or adopt mechanisms that safeguard the interest of the stakeholders (Sanda *et al.*, 2005; Javed and Iqbal, 2007). It is, to a large extent, a set of mechanisms through which outside investors protect themselves against expropriation by insiders (La Porta *et al.*, 2000).

2.1. Element of Corporate Governance

(i) Board Size: This is considered to be a crucial characteristic of the board structure. There is a view that larger boards are better for corporate performance because they have a range of expertise to help make better decisions, and are harder for a powerful chief executive officer (CEO) to dominate. However, recent thinking has leaned towards smaller boards. Jensen (1993) and

Lipton and Losch (1992) argue that large boards are less effective and are easier for the CEO to control. When a board gets too big, it becomes difficult to co-ordinate and creates problems. Their argument is consistent with the view in the organizational behavior theory that worker's productivity declines in larger work groups.

Yermack (1996) finds an inverse association between board size and firm value. (Gugong, 2011) also report a negative correlation between board size and profitability for mid and small capitalized firms. The literature, however, provide no consensus about the direction of the relationship between board size and board effectiveness.

(ii) Board Composition: Board composition refers to the number of independent non-executive directors on the board relative to the total number of directors. An independent non-executive director is defined as an independent director who has no affiliation with the firm except for their directorship (Gugong, 2011). There is an apparent presumption that boards with significant outside directors will make different and perhaps better decisions than boards dominated by insiders. Fama and Jensen (1983) suggest that non-executive directors can play an important role in the effective resolution of agency problems and their presence on the board can lead to more effective decision – making. Gugong (2011) found that the percentage of outside directors is positively related to the performance of Belgian firms. Furthermore, O'Sullivan (2000) examined a sample of 402 UK quoted companies and suggests that non-executive directors encourage more intensive audits as a complement to their own monitoring role while the reduction on agency costs is expected.

(iii) Chief Executive Officer (CEO): Chairman duality; under CEO–chairman duality, the CEO of company plays the dual role of chairman of the board directors.

There are two schools of thought on CEO – chairman duality. Several researchers argue that CEO – chairman duality is detrimental to companies as the same person will be marking his "own examination papers". Separation of duties will lead to: (i) avoidance of CEO entrenchment (ii) increase of board monitoring effectiveness; (iii) availability of board chairman to advise the CEO and; (iv) establishment of independence between board of directors and corporate management. (Baysinger, 1985). On the other hand, other researchers believe that since the CEO and chairman are the same person, the company will: (i) achieve strong, unambiguous leadership; (ii) achieve internal efficiencies through unity of command; (iii) eliminate potential for conflict between CEO and board chair; and (iv) avoid confusion of having two public spokespersons addressing firm stakeholders Davis *et al*. (1997). Jensen (1993) voices his concern that, a lack of independent leadership makes it difficult for boards to respond to failure in top management team. Fama and Jensen (1983) also argue that concentration of decision management and decision control in one individual reduces board's effectiveness in monitoring top management.

(i) Composition of Audit Committee: The composition and functions of the audit committee are as laid down in Section 359 (5 and 6) of CAMA Cap 20 Laws of the Federation of Nigeria 2004. While the provision of CAMA states that there shall be equal number representation from directors and shareholders on the audit committee, subject to a maximum of six (6) members;

codes of corporate governance clearly states that no executive directors should be appointed as members of the audit committee. This component of corporate governance provides monitoring function which can assist in minimizing management fraud. (Federal Republic of Nigeria, 2004)

2.3. The Concept of Nonperforming Loans

Non-performing loans (NPLS) generally refer to loans which for a relatively long period of time do not generate income; that is, the principal and/or interest on these loans have been left unpaid for at least ninety (90) days (Caprio and Klingebid, 1999).

Kiger (2009) states that when certain elements of poor credit administration, such as, loose liberal credits, poor managerial ability and poor follow up subsists, there is tendency for credit to go bad or not perform. However, Kiger could not ascertain or establish the quantum of the credit that will turn out to be bad; if any of the elements of poor credit administration subsists. Somoye (2010) posits that non-performing loans can reduce the liquidity of banks, credit expansion, slow down the performance of banks and the economy as a whole.

The prudential guideline for licensed banks issued by Central Bank of Nigeria in 1990, classified non-performing loans as follows: -

Substandard (more than 90 less than 180 days)

Doubtful (180 – 365 days)

Loss (365 days and above)

The provision for non – performing loans is made as follows: -

Substandard	10%
Doubtful	50%
Loss	100%

In Nigeria, NPLs are not new and have been in operations since late 1980, but became more pronounced in 1980 as they were the single most devastating cause of banks failure. For example, in 1998 when 26 banks were liquidated in one full swoop, CBN reported that the NPL for the banks was N101 billion. The distressed banks' outstanding credits alone was N33 billion or 7.8% of the total credits, while provision for NPL stood at N64.5 billion. The NPL ratio in the industry then was 24.4% (Central Bank of Nigeria, 2006).

3. STATEMENT OF HYPOTHESES

Four hypotheses have been formulated in their null form for this paper they are:

H_{O1}: Board Size does not have a significant impact on non-performing loans of Nigerian Deposit money banks.

H_{O2}: The composition of Audit Committee does not have a significant impact on non-performing loans of Nigerian Deposit money bank.

H_{O3}: Power Separation does not significantly impact on non-performing loans of Nigerian Deposit money banks

H_{O4}: Board Composition does not have a significant impact on non-performing loans of Nigerian Deposit money banks.

4. METHODOLOGY

The target population of the study consists of all Nigerian deposit money banks quoted on Nigerian stock exchange as at December, 2011. Using purposive sampling, a sample size of 14 banks was selected for the study (Appendix I).The main source of data was secondary data drawn from the annual reports and accounts of fourteen Nigerian deposit money banks.In analyzing the data generated for the study, multi-variate regression technique using the ordinary least squares (OLS – regression) was used.A model is employed for data analysis and the general form of the model is:

NPL = f (CG), Hence

NPL = f (BS, BC, PS, CAC)

Using the ordinary least square structure, the function could be expressed as:

$$NPL = a_0 + a_1 B_{Si} + a_2\, B_{Ci} + a_3\, P_{si} + a_4 A_{ci} + e$$

Where:

CG = Corporate governance

NPL = Non-performing loans

Bs = Board size

Bc = Board composition

Ps = Power separation

A_c = Composition of Audit Committee

a_o = Constant

a_1, a_2, a_3, a_4 = Linear regression co-efficient

e = Error terms assumed to satisfy the standard ordinary least square.

The procedures to be used in testing hypothesis in this study are as follows: -

1. Select the test of hypothesis, which is t-test.
2. Select the significance level which is 95% confidence level; and this give room for an error of 5%, which is known as the alpha (α) of 0.05 which is 5%.
3. Estimate the degree of freedom and state the critical t-value.
4. Compute the t-statistic and make decision.

The Dependent Variable : The dependent variable of the study is non-performing loan; and it is expressed as a function of the independent variables.

The Independent Variables;The independent variables are: Board Size (BS), Board Composition (BC), Power Separation (PS), and Composition of Audit Committee.

Table-1. Estimation of Corporate Governance Variables and Non-performing Loans

Variables	Definitions	Measurement
BS	Board Size	Number of people on the board of the firm.
BC	Board Composition	The proportion of non-executive directors on board, and is calculated as the number of non-executive directors divided by total number of directors.
CAC	Composition of Audit Committee	A dichotomous variable, assigned 1 if there are at least three non –executive directors on the audit committee, otherwise 0.
PS	Power separation	Power separation between the chairman and CEO. If the position is occupied by an individual we assigned O and otherwise I.
NPL	Non-performing loans	As reported in the banks annual report.

5. DATA ANALYSIS AND DISCUSSION OF RESULTS

Table-2. Regression Models of Corporate Governance variables on non-performing Loans of Nigerian Deposit Money Banks.

Models	Coefficient	't' Statistic	'p' value
Constant	6.122	11.034	0.000
BS	0.517	1.254	0.213
BC	0.631	1.016	0.312
CAC	-0.250	-1.908	0.060
Ps	-0.138	-1.031	0.305

Source: Compilation from SPSS version 17

R-squared (R^2)	0.058
Adjusted R-squared	0.018
F-Statistic	1.443

Source: Compilation from SPSS version 17

5.1. Test of Hypotheses

H_{O1} states that;Board Size has no significant impact on Nonperforming Loans of Nigerian Deposit Money Banks.

The number of observations used in this study is ninety-eight (98) with five (5) independent variables(Appendix II). This means that, the degree of freedom (df) is 98-5 = 93. The critical t-value based on 90 degree of freedom (Since 93 is not available) at alpha (α) level of 0.05 (5%) is 1.987. The computed t-statistic for this hypothesis is 1.254 with the probability of 0.213. This shows that the computed t-statistic is lower than the critical t-statistic. The study therefore, accepts the Null hypothesis.

H_{O2}: states that:Board composition has no significant impact on nonperforming loans of Nigerian Deposit Money Banks.

Since the number of observation is 98 with 5 independent variables and the degree of freedom is 90 (since 93 is not available in the table) with critical t-statistic 1.989; and the computed t-statistic based on 5% significance level equal to 1.016 with probability of 0.312. This simply shows that the computed t-statistic is lower than the critical t-statistic. We, therefore, accept the null hypothesis that says Board Composition has no significant impact on nonperforming loans of Nigerian Deposit Money Banks.

H_{O3}:states that:Composition of audit committee does not have significant impact on nonperforming loans of Nigerian Deposit Money Banks.

Since the number of observations is 98 with 5 independent variables and the degree of freedom is 90 (since 93 is not available in the table) with critical t-statistic 1.989; and the computed t-statistic based on 5% significance level equal to 1.908 with probability of 0.060. This simply shows that the computed t-statistic is lower than the critical t-statistic. Hence, we accept, the null hypothesis that says composition of audit committee does not have significant impact on nonperforming loans of Nigerian Deposit Money Banks.

H_{O4}:statesthat: Power separation does not significantly impact on nonperforming loans of Nigerian Deposit Money Banks.

Since the number of observations is 98 with 5 independent variables and the degree of freedom is 90 (since 93 is not available in the table) with critical t-statistic based on 5% significance level equal to 1.987 and the computed t-statistic of 1.031 with probability of 0.305. This shows that the computed t-statistic is lower than the critical t-statistic. Therefore, we accept the null hypothesis.

From the above analysis, it is discovered that all the explanatory variables are not statistically significant. This simply means, they have no relationship whatsoever with the Non-performing Loans of Nigerian Deposit Money Banks. Since the Corporate Governance Variables of Board Size, Board Composition, Composition of Audit Committee and Power Separation do not affect the non-performing loans of Nigerian Deposit Money Banks, it then means that other corporate governance variables such as; insider abuse, transparency and accountability, adherence to corporate governance codes and so on may affect the Nonperforming Loans of Nigerian Deposit Money Banks.

In addition, the R^2 (0.058) and Adjusted R^2 (0.018) values are very low and this means, any variation in non-performing loans is not really explained by these explanatory variables (Board Size, Board Composition, Composition of Audit Committee and Power Separation).

These findings is consistent with the findings of Nworji *et al.* (2011), that improper risk management, corruption of bank officials and over expansion of banks are the key issues why banks failed in Nigeria.

6. CONCLUSION

i. The research concludes that board size has no Significant Impact on Non-performing loans of Nigerian Deposit money banks.

ii. The study concludes that Board composition has no Significant Impact on the non-performing loans of Nigerian Deposit money banks.

iii. The study also concludes that Composition of Audit Committee has no Significant Impact on non-performing loans of Nigerian Deposit money Banks.

iv. Similarly, the study concludes that Power separation has no Significant Impact on the non-performing loans of Nigerian Deposit money Banks

7. RECOMMENDATIONS

Since these variables have no significant impact on the non-performing loans of Nigerian Deposit money Banks emphasis should be shifted from these explanatory variables to other Corporate Governance variables, such as: insider abuse, transparency, disclosure and accountability, compliance with Corporate Governance Codes, oversight and monitoring functions of Central Bank of Nigeria over Nigerian Deposit Money Banks and adherence to rules and principles guiding the approval and monitoring of loans and advances .

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Appendix-I. The Population of the Study

S/N	Names of the Banks	Date of Listing
1.	Access Bank Plc	1998
2.	Diamond Bank Plc	2005
3.	Ecobank Nigeria Plc	2006
4.	Fidelity Bank Plc	2005
5.	First Bank of Nigeria Plc	1971
6..	First City Monument Bank Plc	2004
7.	Guaranty Trust Bank Plc	1996
8.	Skye Bank Plc	2005
9.	Stanbic IBTC Bank Plc	2005
10.	Sterling Bank Plc	1993
11.	Union Bank of Nigeria Plc	1970
12.	United Bank for Africa Plc	1970
13.	Wema Bank Plc	1991
14.	Zenith Bank Plc	2004

Source: From NSE Fact Book 2010

Appendix-II. Raw Data (Corporate Governance Variables and Nonperforming Loans of NDMBs)

Name of Banks	Year	NPL	Log NPL	BS	BC	CAC	PS
Access	2005	1,752,232	6.24	0.35	0.57	1	1
	2006	6,092,412	6.78	0.6	0.5	0	1
	2007	10,741,448	7.03	0.6	0.5	1	1
	2008	9,588,685	6.98	0.7	0.57	1	0
	2009	8,765,935	6.94	0.7	0.57	0	1
	2010	2,446,257	6.39	0.7	0.57	1	1
	2011	7,503,599	6.88	0.7	0.57	1	1
Diamond	2005	2,534,977	6.4	0.7	0.4286	1	1
	2006	4,005,619	6.6	0.7	0.4286	0	1
	2007	7,244,809	6.86	0.65	0.5385	1	0
	2008	10,280,201	7.01	0.7	0.6429	1	1
	2009	23,378,125	7.37	0.7	0.6429	0	1
	2010	46,605,507	7.67	0.8	0.625	1	0
	2011	36,878,356	7.57	0.8	0.625	1	1
Eco Bank	2005	3,108,114	6.49	0.35	0.7143	1	1
	2006	1,688,989	6.23	0.7	0.5714	1	0
	2007	11,307,655	7.05	0.6	0.5833	0	1
	2008	69,406,287	7.84	0.55	0.7273	1	1
	2009	89,620,000	7.95	0.75	0.6	1	0
	2010	64,539,000	7.81	0.7	0.5714	0	1
	2011	7,359,940	6.87	0.7	0.7143	1	1
FCMB	2005	995,597	6	0.5	0.8	1	1
	2006	1,628,132	6.21	0.55	0.7273	1	0
	2007	2,739,982	6.44	0.6	0.6667	0	1
	2008	5,290,848	6.72	0.6	0.6667	1	1
	2009	22,517,000	7.35	0.65	0.6154	1	0
	2010	19,085,000	7.28	0.75	0.6	0	1
	2011	9,086,000	6.96	0.75	0.6667	1	1
Fidelity	2005	2,008,165	6.3	0.45	0.7778	1	1
	2006	7,756,529	6.89	0.75	0.7333	0	1

Continue

	2007	6,264,340	6.8	0.65	0.6923	1	1
	2008	7,207,519	6.86	0.65	0.6154	1	1
	2009	48,084,866	7.68	0.65	0.6154	1	0
	2010	47,116,000	7.67	0.65	0.6154	0	1
	2011	17,355,000	7.24	0.85	0.5882	1	1
First Bank	2005	34,674,000	7.54	0.7	0.53	1	1
	2006	17,339,000	7.24	0.75	0.53	0	1
	2007	6,620,000	6.82	0.75	0.47	1	0
	2008	6,195,000	6.79	0.75	0.53	1	1
	2009	88,506,000	7.95	0.8	0.5	0	1
	2010	89,703,000	7.95	0.75	0.67	1	1
	2011	28,098,000	7.45	0.8	0.6875	1	0
Guaranty Trust Bank	2005	1,359,293	6.13	0.55	0.45	1	1
	2006	2,911,474	6.46	0.55	0.55	1	0
	2007	2,289,784	6.36	0.55	0.55	0	1
	2008	3,573,179	6.55	0.7	0.5	1	1
	2009	70,123,787	7.85	0.7	0.57	1	0
	2010	41,107,607	7.61	0.7	0.57	1	1
	2011	22,397,489	7.35	0.7	0.57	1	1
Skye Bank	2005	1,252,503	6.1	0.85	0.5294	0	1
	2006	4,759,897	6.68	0.85	0.5294	1	1
	2007	5,513,000	6.74	0.85	0.5294	1	0
	2008	8,535,000	6.93	0.85	0.5294	0	1
	2009	69,100,000	7.84	0.85	0.5294	1	1
	2010	49,639,000	7.7	0.8	0.625	1	0
	2011	25,341,000	7.4	0.8	0.625	1	1
Stanbic IBTC	2005	396,543	5.6	0.6	0.6667	1	1
	2006	12,130,171	7.08	0.6	0.6667	0	1
	2007	9,258,018	6.97	0.65	0.9231	1	0
	2008	15,537,000	7.19	0.65	0.9231	1	1
	2009	17,702,000	7.25	0.9	0.7222	0	1
	2010	8,642,776	6.94	0.65	0.6154	1	0
	2011	7,542,256	6.88	0.55	0.5385	1	1
Sterling Bank	2005	10,725,125	7.03	0.7	0.6429	1	1
	2006	11,839,912	7.07	0.7	0.6429	1	0
	2007	10,901,676	7.04	0.7	0.6429	0	1
	2008	7,196,566	6.86	0.6	0.6667	1	0
	2009	22,289,082	7.35	0.5	0.6	0	1
	2010	11,059,183	7.04	0.55	0.6364	1	1
	2011	8,227,240	6.92	0.65	0.6154	1	1
UBA PLC	2005	2,420,000	6.38	0.95	0.5789	1	1
	2006	12,989,000	7.11	0.7	0.4286	1	0
	2007	14,087,000	7.15	0.85	0.5294	0	1
	2008	15,579,000	7.19	0.85	0.5294	1	1
	2009	39,647,000	7.6	1	0.55	1	0
	2010	40,200,000	7.6	1	0.55	0	1
	2011	9,088,000	6.96	0.95	0.5263	1	1
Union Bank	2005	18,588,000	7.27	0.75	0.5333	1	1

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	2006	28,281,000	7.45	0.75	0.5333	0	1
	2007	23,597,000	7.37	0.85	0.5294	1	0
	2008	54,289,000	7.73	0.88	0.5294	1	1
	2009	209,089,000	8.32	0.7	0.6429	0	1
	2010	102,044,000	8.01	0.7	0.6429	1	0
	2011	95,044,000	7.98	0.7	0.6429	1	1
WEMA Bank	2005	15,677,263	7.2	0.45	0.5556	1	1
	2006	42,284,405	7.63	0.45	0.5556	0	0
	2007	21,161,431	7.33	0.35	0.8571	1	1
	2008	25,151,243	7.4	0.35	0.8571	0	1
	2009	69,907,288	7.84	0.35	0.5714	1	0
	2010	37,427,763	7.57	0.4	0.625	1	1
	2011	32,123,453	7.51	0.4	0.625	0	1
Zenith Bank	2005	2,084,923	6.32	0.55	0.5455	1	1
	2006	2,309,405	6.36	0.55	0.5455	0	1
	2007	4,022,377	6.6	0.65	0.6154	1	0
	2008	9,406,000	6.97	0.7	0.5	1	1
	2009	46,413,000	7.67	0.75	0.5333	0	1
	2010	41,832,000	7.62	0.65	0.5385	1	0
	2011	31,476,000	7.5	0.6	0.5	1	1

Source: The Annual Reports and Accounts of Nigerian Deposit Money Banks