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Effects of Board Ownership on Total Assets of Nigerian Banks

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ABSTRACT

This study examines the effects of board ownership on the performance of banks in Nigeria with emphasis on total assets between 2004 and 2014. Using Panel data model and focusing on 17 banks in Nigeria, the finding shows that, board owned banks out performed institutionally owned banks in Nigeria with emphasis on total assets. It is therefore recommended that the board ownership model be used over and above the other models especially in economies with the shape and size of Nigeria.

Keywords: Ownership, structure, Board, bank, assets, Nigeria, Estimation and Techniques.

INTRODUCTION

[1] argues that ownership structure is an important component of firm performance. [2] posits that ownership structure is considered an important factor that affects a firm's health. Arguing along that line, [3] posits that better governed banks may have more efficient operations and better performance. As a consequence, who owns the firm's equity and how ownership structure affects firm value has been a topic investigated by researchers for decades but not much as it affects banks. Contributing to the argument, [4] is of the view that banks occupy an important position in the economic equation of any country such that its (good or poor) performance invariably affects the economy of both developed and emerging countries. Better governed banks translate to more efficient and streamlined operations, as supervisory board and management functions are separated and modernized [5]. [6] in furtherance to the argument posits that concerns on ownership restriction on banks are prevalent unlike other industries. The justification it argues stems from the concern of concentration of economic power, conflicts of interest and stability of the financial sector. Typically, there is an ownership ceiling for a single equity or a requirement for approval of the financial authorities when shares exceed certain levels.

Sometimes, there are separate restrictions on bank ownership for non-financial firms or non-bank financial institutions. Also imposed is a fit and proper test for the ownership or management of banks, checking such factors as their experience and reputation. Evidently, this practice is justified, given the opaqueness of banking and the consequent high incentives for market misconduct. In addition to restrictions on bank *ownership*, there usually is a host of other regulations on banking activities which weaken competition in the sector. While many of these regulatory restrictions are geared to prudential regulations, many others such as regulation on lending to agriculture or to small and medium-sized enterprises are to address social or political concerns, [7].

[8] posits that ownership and customers of banks were largely foreigners at the inception of banking business in Nigeria and such lopsidedness was mainly responsible for the inability of indigenous Nigerian enterprises to have access to

bank credit. It was therefore to redress the ugly situation and meet the financial requirements of businesses owned by Nigerians, that some indigenous banks commenced operations in the late 1920s. But these indigenous banks were however not able to survive the hostile and strong competition posed by the foreign banks, especially in such areas as capitalization and management mainly due to the absence of regulation by any government agency. It was therefore not surprised that by 1954, a total of 21 out of 25 indigenous banks had failed and went into self liquidation [9].

Thereafter, the Nigerian banking industry was said to have played host to banks having different types of ownership. These include banks having different compositions of ownership (foreign banks, indigenous banks, government/state banks and private banks) and banks having different spreads of ownership (quoted banks and non-quoted banks) [10]. Also, there have been conflicts over ownership of Nigerian banking institutions as there were continuous changes both in the ownership and structure. The practice of free, non-restrictive equity holdings has led to serious abuses by individuals and family members as well as government in the management of banks.

In fact, [11] argues that the problems of banks in Nigeria have at various times been attributed to the nature of their ownership. For instance, government – owned banks in developing economies suffer frequent changes in board membership, usually associated with changes in the federal and state governments. Many appointments he argues were based on political patronage rather than merits. Board members therefore saw themselves as representatives of political parties, the states or local governments and had little or no loyalty to the banks. As a result, political and social considerations pervaded the decision making process and promoted indiscipline in such banks as sanctions or deployment became very subjective.

Until 1973, banks in Nigeria were categorized into three, according to their ownership. They included expatriate banks, indigenous banks and the mixed banks. While expatriate or foreign banks are those wholly owned by foreign investors, the indigenous banks are wholly owned by Nigerian citizens and/or governments and mixed banks are those owned partly by foreign investors and partly by Nigerians, [12]. The account has it that the first group of banks to operate in Nigeria was the expatriate banks but following the indigenization decree of 1973 that forbade any foreign company operating in Nigerian with a 100 percent ownership from existing, the expatriate banks ceased to exist. In line with this, Federal Government of Nigeria acquired some percentage ownership in the expatriate banks. As such, Nigerian banks are either indigenously owned or have a mixed ownership with Nigerians having not less than 60% of the ownership, [13].

It has become evident that given the wrongful acts of corporations, directors are being held responsible for the successes and failures of the companies they govern. This is because the board is at the apex of decision making in an institution. Also board ought to monitor the activities of top management, ensuring that the interest of shareholders, regulators and the general public are protected [14]. It was to guard against this that the need of corporate board cannot be over emphasized in the issue of firm performance.

[15] posits that boards of directors are those elected groups from the shareholders, who control the activities of the corporation and who are statutorily empowered to oversee the activities of the corporation, including that of banks. Boards are therefore important in the life of any bank. But where such oversight function on board and management is relegated to the background, the “edifice is brought down” as the stakeholders and the economy will suffer.

Unarguably, Nigeria is the leading economy and most populous black nation in Africa and her bank branches have made inroad into other African countries especially after the consolidation exercise

in 2004. Equity of banks in Nigeria alone also constitutes more than 60 per cent of the stocks traded in the Nigerian capital market and should there be a bank failure, Nigerian economy and that of other African countries will be affected due to contagion. It was therefore to guard against these ugly consequences resulting from abuse of ownership structure that this study was of significance.

There were no known previous studies on this topic to the knowledge of the researcher. Rather what is in the public domain are mainly on the ownership and performance of firms rather than banks and in developed economies rather than developing and emerging countries.

The paper aims at examining the extent to which board ownership of Nigerian banks affects the total assets performance of such financial institutions.

Panel Least Square Regression analysis method which is a very common and ideal method in the conduct of research in business and science was adopted in this study. The results of the study provide further insight for policy- making in the financial system development in Nigeria. In addition, it contributes to the existing literature in financial structure interactions, especially in developing economies.

The work is arranged in the following order: Section two reviews related literature while section three presents data and method of empirical analysis. The next to the last section discusses the results and the last section concludes the study.

LITERATURE REVIEW

In furtherance to the interplay on the issue of ownership structure and performance of firms, [16] posits that the participation of the board of directors in formal decision-making is regarded as an indication of good corporate governance. [17] posits that the most important decisions are made by the boards of directors as shareholders are not perceived as having the power to make operating decisions for companies. In the same token, [18] posits that better governed bank may lead to more efficient and streamlined operations as the supervisory board and management functions are separated and modernized. It may reduce the incidences and amount of related party transactions and other self dealing practices since such transactions they argue are usually sub-optimal from the efficient point of view, and the reduction of such transactions translate into improved performance, lower cost of capital and employment of subordinated debt financing option. [19] supporting the argument, argues that the most effective size for a board for corporate governance purposes is no more than twelve member board. Also that lower numbers of independent directors has negative implications for corporate governance. [20] posits that separation of the roles of board chairman and chief executive officer enhances the independence of the board, while maintaining a series of checks and balances. [21] argues that board size positively affects corporate performance in the presence of CEO non-duality but negative influence on corporate performance in the presence of CEO duality. [22] argues that board governance variables like board committees, board directors and women directors are statistically significant to the performance for banks where government has considerable stake. [23] found positive relationship between both the ratio of outside directors and the degree of board interlocks with firm return- on-assets. On the other side of the argument, [24] found that contrary to theories predicting that smaller boards of directors are more effective, increasing the number of directors in banking firms does not undermine performance. Again [25] found that in Russia, and Ukraine banks with more concentrated ownership have lower rankings on corporate governance. Again, [26] posits that banks perform well with a low level of related – party loans and high level of market share

of debt. [21] found out that no statistically significant relationship exists between gender diversity and firm corporate governance performance, but on the contrary, [19] found a statistically significant, positive relationship between both the presence and percentage of women on the board of directors and firm value. In the same token, [17] found a positive relationship between the percentage of female board members and the market value added (MVA). Also, [15] shows a negative relationship between the percentage of female board members and firm value. Focusing also on the banking sector, [13] posits that positive relationship exists between gender diversity in the boardroom and financial performance of commercial banks in Bangladesh.

One of the important legal rights for shareholders is the right to vote in election of a board of directors from among the shareholders, management teams and outsiders to process the firm's business on their behalf in order to maximize their benefits [11]; [9]; [7]. Basically, a board of directors must perform its duties honestly and prudently to guard the interests of firms and shareholders. Their response must approve the firm's strategies, major policies, financial goals and budgets. Also the directors are required to pay attention to all issues brought to the board meeting including corporate governance matters. Moreover, directors should be independent from management and controlling shareholders. The structure of a corporate board varies across countries. The way it is governed by rules and regulations, can lead to differences in the effectiveness of these boards [1]. In the US and the UK, for example, most of the boards of directors are elected from CEOs, management teams or outsiders. In Japan, large shareholders are not directly represented in the board's positions. They prefer to gather information and influence the firm through a closely related Keiretsu'goup [3]. In Germany, it appears that large creditors are represented on the board and influence the management of the firm. [6] argues that boards in the US are captured by the management, whilst [7] support the view that in Japan and Germany, boards seem to be passive except in extreme situations as for example, financial distress.

In Thailand, the structure of the board, however, seems to be related to the power of large shareholders (in cases where shareholders choose to exercise their power through directors). That is, controlling shareholders can appoint board members without the approval of other small shareholders. Those board members therefore represent only the interest of the controlling shareholders that render the efficiency of internal control.

In Nigeria, the functions of the boards of financial institutions, according to [9] include but not limited to the followings:

a. Approving and reviewing corporate strategy, plans of action, annual budgets and business plans. Setting performance objectives; monitoring implementation and corporate performance; and approving major capital expenditures, acquisitions and divestments.
b. Ensuring that the institution has adequate systems of internal controls both operational and functional.
c. The selection, performance appraisal and compensation of senior executives.
d. Reviewing key executive and board remuneration and ensuring a formal and transparent board's nomination process. Reporting.
e. Ensuring the integrity of the institution's accounting and financial reporting system.
f. Ensuring that ethical standards are maintained and that the institution complies with applicable laws and regulations.
g. Ensuring adequate disclosure and communications.
h. Succession planning and setting out an acceptable risk management guideline.

However, there is a clause that stipulated that the non-executive directors on the boards should not be involved in the day to day operations of

the institution which should be the primary responsibility of the chief executive officer and the management team [7].

DATA AND METHOD

Data

Datasets for this study were drawn from the Central Bank of Nigeria Bulletin, banks' individual annual reports and GBL plc financial reports on banks. Yearly reports from Augusto and co were also utilized in the compilation of data. Annualized Panel data for eleven- year period, 2004 – 2014 were collated from the annual reports of 17 banks out of 21 banks which show about 81%. Descriptive statistics and other diagnostic tests on both the dependent variables such as test for stationality, test for normality, and test for linear association were used to compliment and validate the results.

Empirical Model Specification

The study sought to establish a nexus between board ownership structure and performance of Nigerian banks with focus on Asset Base (TA) of the studied banks. Board Ownership (BO) structure represented the explanatory (independent) variable of interest while total asset is the dependent variable. Institutional ownership (IO) and Government Ownership(GO) are used in this equation as control variables. The aforementioned relationship is functionally captured thus:

$$TA_{it} = \delta_0 + \delta_1 BO_{it} + \delta_1 IO_{it} + \delta_1 GO_{it} + \varepsilon_{it}$$

Technique of Data Analyses

Annualized Panel Data for eleven – year period 2004 – 2014 were collated from the annual reports of 17 banks out of 21 banks which show about 81%. Also the Panel Least Square version of the econometric model of Ordinary Least Square as adopted by [8] was used to test the hypotheses. Total Assets was used as the dependent variables while Board Ownership and Institutional Ownership structures were used as independent variables.

Descriptive statistics and other diagnostic tests on both the dependent and independent variables such as test for stationarity, test for normality, test for linear association and other relevant tests were used to compliment and validate the results. The choice of Panel Least Square in the analysis is that it is an unbiased estimator of linear association.

In terms of sequence, the techniques were applied as follows:

- Collation, tabulation and graphing of data
- Application and analyses of basic descriptive statistics
- Estimation and interpretation of Panel Data Regression
- Diagnostic testing and discussion
- Testing of hypotheses using validated results
- Drawing of empirical conclusions.

RESULT AND DISCUSSION

This section was done to point out the relationship between bank performance indicators and respective ownership structures. This among other things helped in justifying the choice of the requisite empirical and statistical estimation method used in this study. Table 1 captures the yearly observations for banks performance index 2004 – 2014.

Table 1: Yearly Observations for Banks Performance Index 2004 – 2014

Banks	Year	TD	TA	ROA	GO	BO	IO
Access	2004	22724.00	31342.00	4.7	1.00	9.95	6.70
Access	2005	52846.00	66918.00	2.5	1.00	9.95	6.70
Access	2006	145660.0	174553.0	2.2	1.00	9.95	6.70
Access	2007	300230.0	328615.0	2.3	1.00	9.95	6.70
Access	2008	873708.0	1045568.	2.3	1.00	9.95	6.70
Access	2009	525138.0	710326.0	2.4	1.00	9.95	6.70
Access	2010	485000.0	796000.0	0.9	1.00	9.95	6.70
Access	2011	1102000.	1629000.	1.2	1.00	9.95	6.70
Access	2012	1201000.	1745000.	2.3	1.00	9.95	6.70
Access	2013	1331000.	1835000.	2.0	1.00	9.95	6.70
Access	2014	1454000.	2104000.	1.3	1.00	9.95	6.70
Citi	2004	53874.00	66247.00	4.9	1.00	2.74	15.36
Citi	2005	58859.00	86979.00	4.1	1.00	2.74	15.36
Citi	2006	78459.00	112272.0	7.8	1.00	2.74	15.36
Citi	2007	100847.0	135879.0	5.6	1.00	2.74	15.36
Citi	2008	119833.0	157527.0	5.8	1.00	2.74	15.36
Citi	2009	139405.0	181866.0	2.4	1.00	2.74	15.36
Citi	2010	217175.0	258912.0	0.6	1.00	2.74	15.36
Citi	2011	327614.0	367136.0	0.6	1.00	2.74	15.36
Citi	2012	284114.0	323586.0	0.4	1.00	2.74	15.36
Citi	2013	290061.0	340321.0	0.7	1.00	2.74	15.36
Citi	2014	269112.0	360669.0	0.4	1.00	2.74	15.36
Diamond	2004	43391.00	69062.00	0.4	1.00	15.70	14.80
Diamond	2005	110505.0	131341.0	2.1	1.00	16.00	15.00
Diamond	2006	192629.0	227833.0	3.5	1.00	15.70	14.80
Diamond	2007	267696.0	320950.0	2.1	1.00	15.70	14.80
Diamond	2008	508414.0	625670.0	3.0	1.00	16.00	15.00
Diamond	2009	493642.0	650757.0	0.8	1.00	15.70	14.80
Diamond	2010	431521.0	548402.0	0.2	1.00	15.70	14.80
Diamond	2011	630443.0	722965.0	1.2	1.00	15.70	14.80
Diamond	2012	951820.0	1059137.	1.1	1.00	15.70	14.80
Diamond	2013	1105331.	1234648.	1.1	1.00	15.70	14.80
Diamond	2014	1493000.	1933000.	1.5	1.00	16.00	15.00
Eco	2004	33229.00	37642.00	2.8	1.00	0.48	1.00
Eco	2005	41890.00	67653.00	3.2	1.00	0.48	1.00
Eco	2006	102770.0	132092.0	3.7	1.00	0.48	1.00
Eco	2007	276574.0	311396.0	3.4	1.00	0.48	1.00
Eco	2008	400710.0	432466.0	3.4	1.00	0.48	1.00
Eco	2009	7770958.	9006523.	3.5	1.00	0.48	1.00
Eco	2010	9174261.	10466871	1.0	1.00	0.48	1.00
Eco	2011	2622281.	2744870.	1.1	1.00	0.48	1.00
Eco	2012	2774810.	3114132.	1.1	1.00	0.48	1.00
Eco	2013	3268648.	3698136.	1.1	1.00	0.48	1.00
Eco	2014	1571846.	17729222	1.6	1.00	0.48	1.00
Fidelity	2004	19340.00	27552.00	1.3	1.00	9.30	1.00
Fidelity	2005	23640.00	34953.00	4.1	1.00	9.30	1.00
Fidelity	2006	94126.00	119986.0	4.1	1.00	9.30	1.00
Fidelity	2007	187818.0	218332.0	2.8	1.00	9.30	1.00
Fidelity	2008	398270.0	535480.0	3.5	1.00	9.30	1.00
Fidelity	2009	376561.0	506267.0	0.3	1.00	9.30	1.00
Fidelity	2010	343574.0	478020.0	1.4	1.00	9.30	1.00
Fidelity	2011	603158.0	739508.0	0.9	1.00	9.30	1.00

Fidelity	2012	752905.0	914360.0	2.6	1.00	9.30	1.00
Fidelity	2013	917762.0	1081.217	1.1	1.00	9.30	1.00
Fidelity	2014	1892651.	3135003.	1.3	1.00	9.30	1.00
First Bank	2004	207181.0	312490.0	2.2	1.00	4.66	1.00
First Bank	2005	421034.0	470839.0	3.1	1.00	4.66	1.00
First Bank	2006	552547.0	614840.0	3.1	1.00	4.66	1.00
First Bank	2007	827800.0	911427.0	2.7	1.00	4.66	1.00
First Bank	2008	1176380.	1528234.	3.0	1.00	4.66	1.00
First Bank	2009	1672509.	1771456.	0.7	1.00	4.66	1.00
First Bank	2010	2037209.	1957258.	1.4	1.00	4.66	1.00
First Bank	2011	2471438.	1103229.	2.0	1.00	4.66	1.00
First Bank	2012	2770674.	1253177.	2.5	1.00	4.66	1.00
First Bank	2013	3246577.	3364227.	2.0	1.00	4.66	1.00
First Bank	2014	9590000.	3668618.	2.2	1.00	4.66	1.00
FCMB	2004	18019.00	23736.00	1.7	1.00	5.13	12.86
FCMB	2005	44060.00	51318.00	2.1	1.00	5.13	12.86
FCMB	2006	81691.00	106368.0	2.6	1.00	5.13	12.86
FCMB	2007	235231.0	262535.0	3.5	1.00	5.13	12.86
FCMB	2008	333686.0	467337.0	4.1	1.00	5.13	12.86
FCMB	2009	386546.0	515602.0	0.8	1.00	5.13	12.86
FCMB	2010	395437.0	530073.0	1.6	1.00	5.13	12.86
FCMB	2011	475900.0	593273.0	-1.7	1.00	5.13	12.86
FCMB	2012	776530.0	890313.0	1.3	1.00	5.13	12.86
FCMB	2013	864573.0	1008280.	4.6	1.00	5.13	12.86
FCMB	2014	1008999.	1169364.	4.1	1.00	5.13	12.86
Guaranty	2004	74222.00	119698.0	4.9	1.00	7.14	10.91
Guaranty	2005	151178.0	185151.0	3.4	1.00	7.14	10.91
Guaranty	2006	271852.0	308411.0	3.5	1.00	7.14	10.91
Guaranty	2007	436505.0	486491.0	3.3	1.00	7.14	10.91
Guaranty	2008	572349.0	735693.0	4.2	1.00	7.14	10.91
Guaranty	2009	780688.0	962722.0	2.3	1.00	7.14	10.91
Guaranty	2010	866858.0	1083304.	3.4	1.00	7.14	10.91
Guaranty	2011	1289347.	1523527.	3.8	1.00	7.14	10.91
Guaranty	2012	1333777.	1620317.	1.6	1.00	7.14	10.91
Guaranty	2013	1574719.	1904365.	5.6	1.00	7.14	10.91
Guaranty	2014	1757077.	2126608.	5.0	1.00	7.14	10.91
Skye	2004	23045.00	25997.00	2.6	12.36	1.00	7.51
Skye	2005	27545.00	31990.00	1.6	12.36	2.00	7.51
Skye	2006	148110.0	174193.0	2.3	12.36	3.00	7.51
Skye	2007	416673.0	447992.0	1.8	12.36	4.00	7.51
Skye	2008	693919.0	790708.0	2.6	12.36	5.00	7.51
Skye	2009	542081.0	632511.0	1.2	12.36	6.00	7.51
Skye	2010	594006.0	705859.0	1.2	12.36	7.00	7.51
Skye	2011	777245.0	876527.0	1.2	12.36	8.00	7.51
Skye	2012	966934.0	1071311.	1.1	12.36	9.00	7.51
Skye	2013	992558.0	1080820.	1.5	12.36	10.00	7.51
Skye	2014	995236.0	1107868.	4.2	12.36	11.00	7.51
Stanbic	2004	23775.00	31612.00	5.7	1.00	12.00	1.00
Stanbic	2005	23289.00	39151.00	9.3	1.00	13.00	1.00
Stanbic	2006	80396.00	113226.0	7.4	1.00	14.00	1.00
Stanbic	2007	109911.0	151290.0	5.9	1.00	15.00	1.00
Stanbic	2008	269877.0	315107.0	4.1	1.00	16.00	1.00
Stanbic	2009	253441.0	351253.0	3.1	1.00	17.00	1.00
Stanbic	2010	300240.0	387218.0	3.7	1.00	18.00	1.00

Stanbic	2011	472729.0	554507.0	2.5	1.00	19.00	1.00
Stanbic	2012	554171.0	676819.0	1.9	1.00	20.00	1.00
Stanbic	2013	665412.0	763046.0	1.5	1.00	21.00	1.00
Stanbic	2014	830267.0	944542.0	4.0	1.00	22.00	1.00
Standard Ch	2004	29764.00	34724.00	5.1	1.00	23.00	1.00
Standard Ch	2005	41883.00	68536.00	6.3	1.00	24.00	1.00
Standard Ch	2006	56781.00	89140.00	9.0	1.00	25.00	1.00
Standard Ch	2007	97211.00	130450.0	7.9	1.00	26.00	1.00
Standard Ch	2008	124950.0	160279.0	7.8	1.00	27.00	1.00
Standard Ch	2009	88176.00	205640.0	6.1	1.00	28.00	1.00
Standard Ch	2010	185259.0	259579.0	5.9	1.00	29.00	1.00
Standard Ch	2011	261613.0	309266.0	5.1	1.00	30.00	1.00
Standard Ch	2012	359448.0	434056.0	5.0	1.00	31.00	1.00
Standard Ch	2013	4736276.	5470470.	2.5	1.00	32.00	1.00
Standard Ch	2014	5907727.	6597079.	1.3	1.00	33.00	1.00
Sterling	2004	16955.00	22585.00	2.7	1.00	34.00	18.39
Sterling	2005	18607.00	21342.00	-2.2	2.00	35.00	18.39
Sterling	2006	87113.00	131297.0	-0.5	3.00	36.00	18.39
Sterling	2007	128509.0	16736.00	1.4	4.00	37.00	18.39
Sterling	2008	218406.0	249847.0	2.7	5.00	38.00	18.39
Sterling	2009	183498.0	221000.0	-4.2	6.00	39.00	18.39
Sterling	2010	233.2590	277000.0	1.9	7.00	40.00	18.39
Sterling	2011	463474.0	504427.0	1.5	8.00	41.00	18.39
Sterling	2012	533584.0	580226.0	1.4	9.00	42.00	18.39
Sterling	2013	644339.0	707797.0	1.4	10.00	43.00	18.39
Sterling	2014	772468.0	824539.0	1.4	11.00	44.00	18.39
UBA	2004	195991.0	212024.0	2.9	12.00	9.50	13.90
UBA	2005	234840.0	250419.0	2.8	13.00	9.50	13.90
UBA	2006	842170.0	884137.0	1.5	14.00	9.50	13.90
UBA	2007	1022964.	1191042.	2.8	15.00	9.50	13.90
UBA	2008	1478129.	1672990.	3.3	16.00	9.50	13.90
UBA	2009	1213160.	1400879.	0.3	17.00	9.50	13.90
UBA	2010	1244902.	1432632.	0.2	18.00	9.50	13.90
UBA	2011	1483738.	1666053.	0.4	19.00	9.50	13.90
UBA	2012	1712748.	1933065.	2.4	20.00	9.50	13.90
UBA	2013	1957879.	NA	2.0	21.00	9.50	13.90
UBA	2014	2056925.	NA	1.8	22.00	9.50	13.90
Union	2004	241585.0	367798.0	3.0	20.00	0.95	1.00
Union	2005	200511.0	398271.0	2.7	20.00	0.95	2.00
Union	2006	275457.0	517564.0	2.2	20.00	0.95	3.00
Union	2007	417406.0	619800.0	2.4	20.00	0.95	4.00
Union	2008	649337.0	907074.0	3.6	20.00	0.95	5.00
Union	2009	1175140.	921230.0	-5.8	20.00	0.95	6.00
Union	2010	981125.0	845231.0	-4.2	20.00	0.95	7.00
Union	2011	664203.0	843763.0	2.9	20.00	0.95	8.00
Union	2012	714797.0	886468.0	3.8	20.00	0.95	9.00
Union	2013	803400.0	1002800.	4.7	20.00	0.95	10.00
Union	2014	786900.0	1009100.	2.5	20.00	0.95	11.00
Unity	2004	554.0000	25702.00	5.1	10.00	0.29	24.29
Unity	2005	459.0000	33179.00	4.7	10.00	0.29	24.29
Unity	2006	100263.0	131003.0	2.3	10.00	0.29	24.29
Unity	2007	171194.0	203234.0	0.4	10.00	0.29	24.29
Unity	2008	345286.0	365861.0	-3.6	10.00	0.29	24.29
Unity	2009	247991.0	257936.0	-8.2	10.00	0.29	24.29

Unity	2010	260842.0	304044.0	4.8	10.00	0.29	24.29
Unity	2011	329105.0	372926.0	0.9	10.00	0.29	24.29
Unity	2012	344262.0	395702.0	4.3	10.00	0.29	24.29
Unity	2013	337041.0	403629.0	1.1	10.00	0.29	24.29
Unity	2014	357416.0	413305.0	4.0	10.00	0.29	24.29
Wema	2004	55072.00	71424.00	4.3	10.00	30.00	1.00
Wema	2005	61285.00	97909.00	2.7	10.00	30.00	2.00
Wema	2006	85605.00	120109.0	1.2	10.00	30.00	3.00
Wema	2007	125476.0	165082.0	1.8	10.00	30.00	4.00
Wema	2008	NA	NA	1.8	10.00	30.00	5.00
Wema	2009	188284.0	142785.0	-5.8	10.00	30.00	6.00
Wema	2010	188307.0	203144.0	7.1	10.00	30.00	7.00
Wema	2011	214888.0	222238.0	-1.9	10.00	30.00	8.00
Wema	2012	244426.0	245704.0	1.0	10.00	30.00	9.00
Wema	2013	289477.0	330872.0	1.1	10.00	30.00	10.00
Wema	2014	338793.0	382562.0	1.0	10.00	30.00	11.00
Zenith	2004	175255.0	193321.0	3.3	1.00	6.60	23.00
Zenith	2005	287534.0	329717.0	3.5	1.00	6.60	23.00
Zenith	2006	518499.0	619341.0	3.3	1.00	6.60	23.00
Zenith	2007	856509.0	972822.0	3.2	1.00	6.60	23.00
Zenith	2008	1441214.	1787832.	3.2	1.00	6.60	23.00
Zenith	2009	1243152.	1578912.	1.7	1.00	6.60	23.00
Zenith	2010	1441770.	1798679.	2.8	1.00	6.60	23.00
Zenith	2011	1797056.	2169073.	2.9	1.00	6.60	23.00
Zenith	2012	1998883.	2436886.	3.9	1.00	6.60	23.00
Zenith	2013	2406071.	2878693.	3.2	1.00	6.60	23.00
Zenith	2014	3202626.	3755264.	2.9	1.00	6.60	23.00

Table 2 Basic Descriptive Statistics of the Level Series Data

	YEAR	TD	TA	ROA	GO	BO	I0
Mean	2009.000	821163.8	975131.0	2.440642	5.080000	11.32481	9.692620
Median	2009.000	390991.5	469088.0	2.400000	1.000000	7.140000	9.000000
Maximum	2014.000	9590000.	17729222	9.300000	22.00000	44.00000	24.29000
Minimum	2004.000	233.2590	1081.217	-8.200000	1.000000	0.290000	1.000000
Std. Dev.	3.170767	1334745.	1824082.	2.337551	6.295018	11.05323	7.661740
Skewness	8.84E-18	4.196055	5.795644	-0.721981	1.254618	1.260710	0.383546
Kurtosis	1.780000	24.32953	46.05552	6.908897	3.245040	3.604011	1.995641
Jarque-Bera	11.59712	4071.667	15242.37	135.2984	49.52623	52.37860	12.44459
Probability	0.003032	0.000000	0.000000	0.000000	0.000000	0.000000	0.001985
Sum	375683.0	1.53E+08	1.79E+08	456.4000	949.9600	2117.740	1812.520
Sum Sq. Dev.	1870.000	3.30E+14	6.09E+14	1016.331	7370.669	22724.34	10918.62
Observations	187	186	184	187	187	187	187

Source: Author's Computation (2016)

The descriptive statistics in this table shows the basic aggregative averages like mean, median and mode for all the observations. The spread and variations in the series are also indicated using standard deviation. Significantly, Kurtosis which shows the degree of peakedness and skewness which is the reflection of the degree of departure from symmetry of the given series were utilized. We also used Jacque Bera Statistics which shows that all the distributions are not normally distributed.

Table 3: Correlation Matrices of the Variables

	TD	TA	ROA	GO	BO	I0
TD	1.000000	0.704755	-0.095204	-0.107739	-0.126660	-0.171154
TA	0.704755	1.000000	-0.081332	-0.105812	-0.134587	-0.155604
ROA	-0.095204	-0.081332	1.000000	-0.238523	-0.007707	-0.189890
GO	-0.107739	-0.105812	-0.238523	1.000000	-0.064985	0.132438
BO	-0.126660	-0.134587	-0.007707	-0.064985	1.000000	-0.050346
I0	-0.171154	-0.155604	-0.189890	0.132438	-0.050346	1.000000

The correlation matrix above shows a test of the linear association of the variables under study. As could be seen, while some of the variables are positively correlated, others are negatively correlated. There are however no cases of no correlation.

Table 4 Panel Least Squares Result for Hypothesis

Total panel (unbalanced) observations: 186

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1355981.	199102.6	6.810465	0.0000
BO	-17021.08	8797.649	-1.934731	0.0646
GO	13547.50	15491.76	-0.874497	0.0030
I0	-28329.63	12708.27	-2.229229	0.0270

R-squared	0.749726	Mean dependent var	821163.8
Adjusted R-squared	0.734062	S.D. dependent var	1334745.
S.E. of regression	1311816.	Akaike info criterion	31.03299
Sum squared resid	3.13E+14	Schwarz criterion	31.10236
Log likelihood	-2882.068	Hannan-Quinn criter.	31.06111
F-statistic	3.174568	Durbin-Watson stat	1.602584
Prob(F-statistic)	0.025462		

Source: Author's Computation (2016)

From Table 4 above, GO is used as the moderating variable. Board ownership and Institutional ownership of banks represented by (BO and IO), were used as the explanatory variables; and Total Assets (TA) served as the Dependent variable. While IO shows a negative and significant impact on the Total Assets of Nigerian banks, BO showed negative and non-significant impact on the dependent variable. This is indicated by their respective t-values and associated p values as shown below:

	Coefficient	Std. Error	t- Statistic	Prob.
BO	-17021.08	8797.649	-1.934731	0.0646
IO	-28329.63	12708.27	-2.229229	0.0270

The R^2 which is a show of goodness of the fit of the model is 74%, which means that 74% of variation in TA is explained by the regressors and about 26% of the relationship is explained by factors not captured by the model. The adjusted R^2 of about 73% takes account of more numbers of regressors if included and it still explains 73% variation in the dependent variable, [9]. The F-statistic (3.174568, 0.025462) which is a test for the significance of the overall regression also shows that the regression is significant and can be used for meaningful analyses. The Durbin Watson statistic which is a test for autocorrelation is also good though autocorrelation is not much of a problem in panel data. It is approximately equal to 2; hence, there is no suspicion of autocorrelation.

We therefore accept the alternative hypothesis One and reject null, as the p-value of the t is significant and the coefficient is positive. We therefore conclude that Board ownership performed better than Institutional ownership with emphasis on Total Assets.

Evidently, pride of ownership, interest protection and better control all make board ownership produce better asset management than the institution does. The above finding and argument agree with the result of [8] which posited that a positive relationship exists between Board Ownership and firm performance of which Total Asset is a critical performance indicator.

CONCLUSION

This study set out to investigate the nexus between ownership structure and total assets performance of banks in Nigeria. It has the design of addition to bank – performance debate, which has developed several theories and postulations over time. Several debates and evidences have been in the public domain on the effects ownership has on firms. An attempt to contribute to these streams of arguments motivated this study, which has a grand design of establishing a logical argument on this issue of the performance of the assets of banks based on their ownership. Specifically, the study attempts to unravel the effects of board owned banks on their total assets.

The Durbin Watson statistic which is a test for autocorrelation shows that there is no problem in panel data. Empirical evidences emanating from this study supports and lend credence to the positions of prior authors like Palia and Lichtenberg (1999) which posits that a positive relationship exists between board ownership and firm performance of which total assets is a critical performance indicator.

In definite terms, the overriding argument is that ownership structure should be one of the important considerations in the performance of firms as emphasis are placed on the quality, experience and integrity of the equity holders of such banks.

It is strongly believed that this finding can further the awareness and research interest on the form of ownership structure practiced in emerging economies in particular and also on a global scale.

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