
**THE MODERATING EFFECT OF FIRM AGE ON THE RELATIONSHIP
BETWEEN CORPORATE GOVERNANCE AND FINANCIAL
PERFORMANCE OF LISTED DEPOSIT
MONEY BANKS IN NIGERIA**

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Abstract

This study investigates the moderating effect of firm age on the relationship between corporate governance mechanisms and the financial performance of listed deposit money banks in Nigeria. A correlational research design is adopted to examine the influence of the variables of the study. The population of the study comprises Deposit Money Banks (DMBs) listed on the Nigerian Exchange (NGX) Group as at December 31, 2024, totaling thirteen (13) banks. A census sampling technique is employed, allowing the entire population to serve as the sample size. Secondary data are obtained from the published annual reports of the listed banks covering the period 2015–2024. Financial performance is measured using Return on Assets (ROA), while corporate governance variables include board size, board composition, board diversity, audit committee size, and managerial ownership, with firm age introduced as a moderating variable. Data analysis involves the Hausman test guiding model selection. The study finds that board size has a positive but insignificant effect on ROA, while board composition shows a significant positive effect. Board diversity and managerial ownership showed insignificant negative effects, whereas audit committee size demonstrated a significant negative influence on bank performance. Firm age significantly moderates the relationships between board composition and audit committee size with ROA but does not moderate the effects of board size, board diversity, or managerial ownership. The study concludes that the effectiveness of corporate governance mechanisms varies across banks depending on their age and recommends strengthening board composition quality, optimising audit committee size, and integrating firm age into governance policies to enhance financial performance.

Keywords: audit committee, size, firm age, governance, financial performance

1. Introduction

Financial performance represents one of the most critical indicators of an organisation's viability, competitiveness, and long-term sustainability. It encompasses a firm's ability to efficiently utilise its assets and resources to generate profits, ensure growth, and deliver value to stakeholders (Ross et al., 2022). In an increasingly dynamic and competitive global marketplace, firms face persistent pressures arising from economic volatility, technological advancements, globalisation, and shifting customer preferences.

Financial performance may stem from ineffective strategic planning, misaligned resource allocation, or inadequate monitoring of managerial actions (Fama & Jensen,

1983). Consequently, the establishment of mechanisms that ensure sound decision-making, align managerial and shareholder interests, and safeguard organisational resources has become increasingly important.

The financial performance of deposit money banks is crucial, as they must maintain profitability for both short- and long-term survival. Banks that consistently post losses are likely to face operational and strategic challenges and different issues. In response to this uncertain financial environment, regulatory frameworks such as the Financial Reporting Council (FRC), Code of Corporate Governance, and the Central Bank of Nigeria's Corporate Governance Guidelines for Banks have been established to enhance transparency, accountability, and risk management in corporate organisations. Within this governance context, factors such as board size, board composition, board diversity, audit committee size, and managerial ownership have been identified as having substantial impacts on bank performance (Danladi & Livinus, 2021; Theophilus, 2023).

Deposit Money Banks (DMBs) in Nigeria play a pivotal role in financial intermediation by mobilising savings, facilitating credit creation, and supporting investment-driven economic growth. Consequently, their financial performance is widely used as a proxy for assessing the stability and efficiency of the Nigerian financial system (Central Bank of Nigeria [CBN], 2024). Despite sustained regulatory reforms (recapitalisation policies, enhanced prudential guidelines, and corporate governance codes), the performance of listed DMBs has remained uneven, with recurring episodes of distress and volatility.

Empirical evidence indicates that the Nigerian banking industry has experienced significant fluctuations in key financial stability indicators over the last decade. For instance, the industry's Non-Performing Loan (NPL) ratio rose sharply from 3.0% in 2014 to 5.3% in 2015, before escalating to 14.8% in 2017 during the post-recession period, reflecting deteriorating credit quality and macroeconomic stress (CBN, 2024). However, the ratio improved gradually to 4.14% in 2023 and 4.15% in 2024, indicating partial recovery and strengthened risk management practices across major banks (CBN, 2024). Despite this improvement, the absolute value of non-performing loans remains substantial, with industry-wide NPLs exceeding ₦1.5 trillion in 2023, driven by exposures in oil and gas, manufacturing, and foreign currency-denominated loans (BusinessDay, 2025; Legit.ng, 2023).

In terms of profitability, listed DMBs exhibit marked heterogeneity; between 2010 and 2021, empirical studies show that Return on Assets (ROA) varied significantly across banks. For example, Access Bank recorded an average ROA of 12.54%, while Zenith Bank, GTBank, and First Bank recorded 2.79%, 4.76%, and 4.90%, respectively, highlighting uneven efficiency in asset utilisation and earnings generation (Odebode et al., 2024). More recent sector-wide data further show that ROA improved modestly to about 3.47% in June 2024, while ROE stood at approximately 59.8%, reflecting high leverage but also increased earnings volatility within the banking system (CBN, 2024).

From a systemic stability perspective, capital adequacy ratios (CAR) have remained above the regulatory minimum of 10%, averaging 13.7% in 2024, suggesting an improved buffer against shocks (Ashiru, 2025). Nevertheless, stress test results indicate that a 30% increase in NPLs still significantly erodes capital buffers, although most banks

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remain marginally compliant with regulatory thresholds (CBN, 2024). This underscores persistent vulnerability to credit risk shocks despite apparent macroprudential compliance.

A further methodological gap exists in the extant literature on corporate governance and financial performance. Studies by Olajumike & Jeremiah (2022) employ cross-sectional or survey-based designs, which are inherently limited in their ability to capture temporal dynamics and firm-specific heterogeneity in the relationship between governance mechanisms and financial performance, particularly Return on Assets (ROA). Although some studies, such as Adesola et al. (2021) and Ilesanmi & Oyediji (2024), adopt panel data techniques that are more appropriate for longitudinal analysis, their econometric specification often omits critical robustness diagnostics, notably groupwise heteroscedasticity tests, which is essential in panel estimations to ensure efficiency and reliability of standard errors across cross-sectional units.

Empirical studies examining the relationship between corporate governance mechanisms and financial performance in Nigerian listed firms reveal inconsistent and context-dependent effects, thereby suggesting the possibility of a moderating influence of contextual or firm-specific factors in line with the framework of Baron and Kenny (1986).

First, evidence confirms a significant relationship between corporate governance structures and financial performance, satisfying the initial condition for moderation (a significant direct effect). For instance, Lawal et al. (2024), in a study of nine listed oil and gas firms in Nigeria between 2012 and 2022, found that board size exerts a significant positive effect on Return on Assets (ROA), although its effect on Return on Equity (ROE) is statistically insignificant. Moreover, board composition did not have a significant effect on either ROA or ROE. However, board independence and the size of the audit committee were negatively correlated with ROA. Similarly, the audit committee's effect on ROE is negative but statistically insignificant. These findings demonstrate that governance variables do exert measurable influence on financial performance, but the direction and strength vary across performance indicators.

Second, the evidence suggests the presence of structural and institutional conditions that may moderate these relationships, satisfying the second requirement for moderation logic. Theophilus et al. (2025), focusing on deposit money banks, report that while the existence of audit committees improves asset performance, the presence of independent audit committees and risk management officers may reduce performance, implying that risk-control mechanisms may simultaneously constrain profitability depending on the operational environment. This indicates that governance mechanisms do not operate in isolation but are influenced by institutional objectives such as risk appetite, regulatory pressure, and sectoral stability requirements.

Third, the variation in magnitude, direction, and significance of governance effects across studies confirms the conditional nature of the relationship, thereby satisfying the third moderation condition. Adesola (2021), examining Nigerian banks, finds that board size negatively and significantly affects financial performance, while gender diversity has a positive but statistically insignificant effect. The divergence of findings across oil and gas firms, deposit-money banks, and broader banking samples demonstrates that the governance–performance relationship is not uniform but contingent on industry structure, regulatory intensity, and organizational context.

Additionally, evidence from other contexts demonstrates the importance of firm age in shaping governance effectiveness. Studies from Uganda (Rwakihembo et al., 2023), Pakistan (Zainab, 2024), and Nigeria's oil and gas sector (Daniels, 2024) show that older firms benefit from accumulated experience, established routines, and stronger institutional systems, whereas younger firms rely more on agile governance practices and external signals to enhance performance. These findings suggest that governance mechanisms may affect younger and older firms differently: younger firms can quickly implement reforms that strongly influence performance, while older firms, supported by legacy structures and reputations, may experience weaker marginal effects. However, these studies are conducted in private, non-financial, or oil and gas sectors, leaving a gap regarding how firm age moderates the governance–performance relationship in highly regulated financial institutions.

The main objective of this study is to examine the moderating effect of firm age on the relationship between corporate governance and the financial performance of listed deposit money banks in Nigeria. Nevertheless, hypotheses were formulated on the variables of study:

- H₀₁:** Board size has no significant effect on financial performance of listed deposit money banks.
- H₀₂:** Board composition has no significant effect on financial performance of listed deposit money banks.
- H₀₃:** Board diversity has no significant effect on financial performance of listed deposit money banks.
- H₀₄:** Audit committee size has no significant effect on financial performance of listed deposit money banks.
- H₀₅:** Firm Age has no significant effect on financial performance of listed deposit money banks.
- H₀₆:** Firm age has no significant effect on moderating the relationship between board size and the financial performance of listed deposit money banks in Nigeria.
- H₀₇:** Firm age has no significant effect on moderating the relationship between board composition and the financial performance of listed deposit money banks in Nigeria.
- H₀₈:** Firm age has no significant effect on moderating the relationship between board diversity and the financial performance of listed deposit money banks in Nigeria.
- H₀₉:** Firm age has no significant effect on moderating the relationship between audit committee size and the financial performance of listed deposit money banks in Nigeria.

2. Literature Review

Empirical Review

Owusu and Asante (2022) analyse the influence of board size on financial performance among Ghanaian firms. The study covers 80 publicly listed companies over a six-year period (2015–2021) using data from their annual financial reports. Regression analysis is employed, with Board Size (BSIZE) as the independent variable and Return on Equity (ROE) as the measure of financial performance. The findings reveal that firms with

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board sizes ranging from seven to nine members exhibited superior financial performance compared to those with larger boards.

Ali and Monica (2023) assess the impact of board composition on the financial performance of listed deposit money banks (DMBs) in Nigeria over a twelve-year period (2010–2021). The study utilises data from the annual reports of all listed DMBs, excluding Ecobank due to its dollar-denominated financial statements. Employing descriptive statistics, correlation analysis, and multiple regression using STATA 13, the study finds that board size has a negative and statistically significant effect on performance, while the presence of independent and female directors has positive and significant effects on return on equity (ROE).

Aziekwe (2024) investigates the effect of board diversity on the financial performance of listed consumer goods firms in Nigeria. Using an ex-post facto design, the study analyses secondary data from fifteen firms listed on the Nigerian Exchange Group over a ten-year period (2013–2022). Panel-Corrected Standard Errors (PCSE) regression is employed to test the effects of nationality, gender, and age diversity on Cash Flow Return on Investment (CROI), with firm size as a control variable. The results show that nationality diversity negatively but insignificantly influenced CROI; gender diversity has a positive but insignificant effect.

Salihu et al. (2024) investigate the relationship between ownership structure and firm performance of quoted financial firms in Nigeria. Employing an ex post facto research design, the study analysed data extracted from the annual reports of 48 listed financial firms on the Nigerian Exchange Group (NGX) between 2014 and 2023. Fixed-effect panel regression, guided by the Hausman specification test, is used to estimate the model. The findings reveal that managerial ownership had significant positive effects on firm performance.

Umoru et al. (2024) investigate the effect of audit committee attributes on the financial performance of quoted oil and gas firms in Nigeria. The study employs a causal research design and utilises secondary data extracted from the annual reports of ten listed oil and gas firms on the NGX, spanning the years 2015 to 2021. Using the Panel Least Squares (PLS) regression technique, the study finds that audit committee size and gender diversity have a negative but insignificant relationship with firm performance.

Daniels (2024) assesses the moderating effect of company age on the relationship between capital structure and financial performance in ten oil and gas firms listed on the Nigerian Exchange Group (2013–2022). Short-term and long-term debt are used to proxy capital structure. Return on assets (ROA) serves as a measure of financial performance, while firm age is the moderating variable. The study adopts an ex-post facto research design. The primary findings indicate that short-term debt has a negative but insignificant effect on ROA, whereas both long-term debt and firm age have a negative and significant effect on ROA. This study is underpinned by agency theory and resource dependence theory, which serve as the underlying theoretical framework guiding the analysis.

3. Methodology

This study adopts a correlational research design. The correlational research design is used to determine the nature and strength of the relationship between two or more

variables without manipulating them. It examines the relationship between corporate governance mechanisms (such as board size, board composition, board diversity, audit committee size, and managerial ownership) and the financial performance of listed deposit money banks (DMBs) in Nigeria, while also assessing the moderating effect of firm age.

The population of this study comprises all the Deposit Money Banks (DMBs) listed on the Nigerian Exchange (NGX) Group as at December 31, 2024. As at this date, thirteen (13) banks were officially listed on the NGX. These banks form the complete population for the study, ensuring that no institution within this category is excluded. A detailed presentation of the population is shown in the table below for clarity and reference. The sample size of the study consists of all thirteen (13) DMBs listed on the Nigerian Exchange Group (NGX) as of December 31, 2024 (see table 1). A census sampling technique is applied to ensure that the entire population of listed banks is considered for analysis. This approach makes a possible and comprehensive evaluation of the subject matter without relying on a subset of the population, thus enhancing the generalisation and robustness of the study's findings.

Table 1

Population of the Study

S/n	Study Population	Sample Selected (13)	Year Listed
1	Access Holdings Plc	Access Holdings Plc	1998
2	Ecobank Plc	Ecobank Plc	2006
3	First Bank Plc	First Bank Plc	1971
4	First City Monument Bank Plc	First City Monument Bank Plc	2004
5	Fidelity Bank Plc	Fidelity Bank Plc	2005
6	Guaranty Trust Holdings Plc	Guaranty Trust Holdings Plc	1996
7	Jaiz Bank Plc	Jaiz Bank Plc	2011
8	Stanbic IBTC Holdings Plc	Stanbic IBTC Holdings Plc	2005
9	Sterling Financial Holdings Plc	Sterling Financial Holdings Plc	1993
10	United Bank for Africa Plc	United Bank for Africa Plc	1970
12	Unity Bank Plc	Unity Bank Plc	2005
12	Wema Bank Plc	Wema Bank Plc	1991
13	Zenith Bank Plc	Zenith Bank Plc	2004

Source: Nigerian Exchange Group, 2024

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Variable Measurement

Table 2

Variable Measurements and Sources

Variables	Measurement	Source
Financial Performance	Proportion of profit after tax to total assets	Osei and Amankwa (2023)
Board Size	Measured as the total members of the board of directors	Uwuigbe et al. (2022)
Board Composition	Measured as the proportion of non-executive directors to the total number of directors	Adams and Ferreira (2024)
Board Diversity	Measured as the proportion of female directors on the board	Dang et al. (2020)
Managerial Ownership	Proportion of shares held by the managers, directors, or executives	Ntim and Soobaroyen (2023)
Audit Committee Size	The number of audit committee members during the year.	Okafor and Nwachukwu (2022)
Firm Age	Number of years since the firm's listing on the stock exchange to the period of the study	Aluchna and Kaminski (2022)

Source: Authors' Compilation, 2026

This study tested the hypotheses on the moderating influence of firm age on the relationship between corporate governance attributes and performance by estimating the following panel regression model:

$$ROA_{it} = \beta_{0it} + \beta_1 BSZ_{it} + \beta_2 BCM_{it} + \beta_3 BDS_{it} + \beta_4 MOW_{it} + \beta_5 AUC_{it} + \beta_6 FAG + (\beta_7 FAG_{it} \times BSZ_{it}) + (\beta_8 FAG_{it} \times BCM_{it}) + (\beta_9 FAG_{it} \times BDS_{it}) + (\beta_{10} FAG_{it} \times MOW_{it}) + (\beta_{11} FAG_{it} \times AUC_{it}) + \varepsilon_{it} \dots \dots (i);$$

where: ROA: represents return on assets; BSZ: represents board size; BCM: represents board composition; BDS: represents board diversity; MOW: represents managerial ownership; AUC: represents audit committee size; FAG: represents firm age; $_{it}$: represents firm & time; β_0 : represents individual impact taken to be constant over time and specific to the individual cross-sectional unit; β_1 - β_5 : represent the coefficient of the explanatory variables; ε_{it} : represents the error term of random disturbance.

4. Results and Discussion

Descriptive Statistics

The table 3 presents the descriptive statistics of the dependent and independent variables used in this study. The statistics include the number of observations (Obs), mean, standard deviation, minimum, and maximum values. A total of 140 firm-year observations were analysed.

Table 3
Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	140	0.2044	0.2374	-0.02	0.72
BSZ	140	14.2857	2.8266	5	21
BCM	140	0.1994	0.2183	0.01	0.69
BDS	140	0.1038	0.0849	0.01	0.56
MOW	140	0.1032	0.1639	0.000	0.7947
AUC	140	5.1643	0.8012	3	6
FAG	140	24.5714	14.2193	4	54

Source: Stata Output, 2026

Return on Assets records a mean value of 0.2044 (20.44%). This indicates that, on average, firms in the sample generated approximately 20 kobo in profit for every one naira of total assets employed during the period under review. This suggests relatively strong asset utilisation among the sampled firms. The standard deviation of 0.2374 indicates a moderate level of dispersion in profitability among the firms. This implies that while some firms performed exceptionally well, others experienced relatively lower returns. The minimum value of -0.02 shows that at least one firm recorded a slight loss (-2%) during the period, while the maximum value of 0.72 (72%) indicates that some firms achieved exceptionally high profitability.

Board Size records a mean value of 14.29 members, indicating that the average firm in the study had approximately 14 directors on its board. This suggests that most firms maintained relatively large boards, which may enhance diversity of expertise and monitoring effectiveness. The standard deviation of 2.83 shows moderate variation in board size across firms. The minimum board size observed was 5 members, while the maximum was 21 members.

Board composition records a mean of 0.1994 (19.94%). This implies that, on average, about 20% of board members are independent directors. The standard deviation of 0.2183 indicates noticeable variability in board independence among firms. The minimum value of 0.01 (1%) suggests that some firms have almost no independent directors, while the maximum value of 0.69 (69%) shows that some firms had a strong presence of independent board members.

Board diversity records a mean value of 0.1038 (10.38%). This suggests that, on average, about 10% of board members represented the measured diversity characteristic (e.g., gender diversity, depending on operationalisation). The standard deviation of 0.0849 indicates relatively low dispersion compared to other governance variables. The minimum value of 0.01 (1%) and maximum of 0.56 (56%) show that while some firms had very low board diversity, others achieved moderate diversity levels.

Managerial Ownership records a mean value of 0.1032 (10.32%), indicating that managers owned approximately 10% of company shares on average. The standard deviation of 0.1639 suggests considerable variation in managerial shareholding structures.

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The minimum value of 0.000203 (0.02%) shows that some firms had almost no managerial ownership, while the maximum value of 0.79486 (79.49%) indicates that in certain firms, managers held substantial controlling ownership.

Audit Committee Size records a mean value of 5.16 members, suggesting that most firms maintain audit committees with approximately five members. The standard deviation of 0.80 indicates low variability in audit committee size across firms. A minimum of 3 members and a maximum of 6 members. Firm Age records a mean value of 24.57 years, implying that the average firm in the sample had been in operation for approximately 25 years. The standard deviation of 14.22 years indicates substantial variation in firm maturity. The minimum age is 4 years and the maximum is 54 years.

Table 4

Correlation Matrix

Variable	ROA	BSZ	BCM	BDS	MOW	AUC	FAG
ROA	1.0000						
BSZ	0.1858	1.0000					
BCM	-0.4580	-0.0340	1.0000				
BDS	-0.2142	0.0851	0.3537	1.0000			
MOW	-0.1605	0.1919	0.0182	0.1178	1.0000		
AUC	-0.0004	-0.1765	-0.0883	-0.1720	-0.1166	1.0000	
FAG	0.2066	0.2631	0.2074	0.2732	-0.1004	-0.5072	1.0000

Source: Stata Output, 2026

The analysis reveals several positive correlations between return on assets and corporate governance variables. Specifically, ROA shows a positive weak correlation with board size ($r = 0.186$) and firm age ($r = 0.207$). Conversely, ROA is negatively correlated with several governance variables. Board composition ($r = -0.458$) shows moderate negative correlation. Board diversity ($r = -0.214$) and managerial ownership ($r = -0.161$) also show weak negative relationships with ROA. The correlation with audit committee size ($r = -0.0004$) is virtually zero.

Table 5

Multicollinearity Results

Variable	VIF	1/VIF
FAG	1.61	0.621740
AUC	1.40	0.713512
BDS	1.23	0.814755
BCM	1.17	0.851255
BSZ	1.15	0.872569
MOW	1.13	0.885095
Mean VIF	1.28	0.793154

Source: Stata Output, 2026

The multicollinearity diagnostics for the explanatory variables indicate that all corporate governance variables, including firm age, audit committee size, board diversity, board composition, board size, and managerial ownership, exhibit low variance inflation factors (VIFs ranging from 1.13 to 1.61) and high tolerance values (0.622–0.885), well below critical thresholds. These results confirm that each variable captures a largely independent dimension of governance and contributes uniquely to explaining firm performance. Therefore, the regression coefficients for these variables can be interpreted reliably, with any observed statistical significance or insignificance reflecting genuine empirical effects rather than distortions caused by multicollinearity.

Modified Wald Test for GroupWise Heteroscedasticity

To verify whether the fixed-effects regression model satisfies the classical assumption of homoscedasticity, the modified Wald test for groupwise heteroscedasticity was conducted.

Table 6

Modified Wald Test for GroupWise Heteroscedasticity

Test Statistic	Value
Chi-square (14)	9210.11
Prob > Chi-square	0.0000

Source: Stata Output, 2026

The result shows a Chi-square statistic of 9210.11 with 14 degrees of freedom and a probability value of 0.0000. Since the probability value (0.0000) is less than the 5% level of significance (0.05), the null hypothesis of homoskedasticity is rejected. This indicates groupwise heteroskedasticity. The implication is that the variance of the error terms differs across cross-sectional units (firms). In other words, the assumption that all firms have constant error variance is violated.

Although heteroskedasticity does not bias the estimated regression coefficients, it can affect the reliability of statistical inference. Therefore, corrective estimation techniques are required to ensure reliable statistical inference. Since the Modified Wald test indicates

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significant heteroskedasticity ($\chi^2 = 9210.11$, $p < 0.05$), the assumption of constant error variance is violated. This violates one of the key classical assumptions of linear regression. To address this econometric issue and ensure valid inference, the study adopts Panel-Corrected Standard Errors (PCSEs). The use of PCSE strengthens the reliability of the regression estimates and enhances the robustness of the empirical findings.

Regression Results

Table 7

PCSE Regression Results

Variable	Coefficient	Std. Error	z	P-value
BSZ	0.0343801	0.015655	2.20	0.028
BCM	0.0317504	0.061249	0.52	0.604
BDIS	0.4445517	0.6204712	0.72	0.474
MOW	0.0027797	0.1719446	0.02	0.987
AUC	0.0181113	0.0687638	0.26	0.792
FAG	0.0216319	0.012164	1.78	0.075
FAGBSZ	-0.0007284	0.000503	-1.45	0.148
FAGBCM	-0.0246179	0.0031632	-7.78	0.000
FAGBDS	-0.01088	0.0134519	-0.81	0.419
FAGMOW	-0.0076534	0.0068016	-1.13	0.260
FAGAUC	0.0005145	0.0014069	0.37	0.715
Constant	-0.5774878	0.5014408	-1.15	0.249
Number of observations	140			
R-Square	0.4668			
Wald Chi ² (10)	891.67			
Prob > Chi ²	0.0000			

Source: Stata Output, 2026

The R-squared value of 0.4668 indicates that approximately 46.68% of the variations in the dependent variable (ROA) are explained by the independent variables included in the model. The Wald chi-square statistic of 891.67 with a p-value of 0.0000 indicates that the overall model is statistically significant.

The findings of this study reveal that board size has a positive and statistically significant impact on the financial performance of listed deposit money banks in Nigeria. This result implies that an increase in the number of directors on the board enhances financial performance. Similarly, Aanu et al. (2014). However, this finding contrasts with the study of Ehikioya (2009). The result of the study indicates that board composition has a positive and statistical effect on the financial performance of listed deposit money banks in Nigeria. This finding is consistent with Abdulwahab et al. (2023). Conversely, the result contrasts with Ofoegbu and Megbuluba (2016).

The result of the study reveals that board diversity has a negative but statistically insignificant effect on the financial performance of listed deposit money banks in Nigeria. This implies that gender diversity on the board, though essential for inclusiveness and varied perspectives, does not significantly influence financial performance within the

Nigerian banking context. This finding aligns with the works of Dang et al. (2020). However, the result contrasts with Adams and Ferreira (2024).

The findings from the analysis show that audit committee size has a positive and statistically insignificant effect on the financial performance of listed deposit money banks in Nigeria. This indicates that as the number of audit committee members increases, financial performance tends to decline. The result suggests that larger audit committees may experience challenges in coordination, decision-making, and accountability, which could reduce their overall effectiveness in monitoring financial reporting and internal control systems. This finding aligns with the studies of Aluchna and Kaminski (2022). However, this result contrasts with the findings of Agyemang and Castellini (2021).

The result for managerial ownership reveals a positive but statistically insignificant relationship with the financial performance of listed deposit money banks in Nigeria. This implies that although increased managerial ownership may slightly align managers' interests with those of shareholders, it does not significantly influence the profitability of the sampled banks.

This finding aligns with the agency theory, which posits that managerial ownership can mitigate agency conflicts by aligning managerial incentives with shareholders' goals. However, the insignificance suggests that managerial ownership levels in Nigerian deposit money banks may be too small to produce a meaningful governance effect. Empirically, this result supports the findings of Debnath et al. (2021). Conversely, it contrasts with the findings of Dagunduro et al. (2023).

Firm Age (FAGE) has a positive and significant influence on financial performance. This indicates that firm age exerts a positive influence on Return on Assets (ROA), suggesting that as firms grow older, their financial performance tends to improve. Specifically, the coefficient implies that a one-unit increase in firm age is associated with an increase in ROA, holding other variables constant.

Although the statistical significance is marginal rather than strong at the conventional 5% level, the direction of the relationship remains economically meaningful. From a theoretical standpoint, this finding aligns with agency theory, which posits that organisational experience and institutional maturity can reduce agency costs over time. Older firms typically develop more refined governance structures, internal control systems, and monitoring mechanisms that limit managerial opportunism.

The moderating effect between firm age and board size shows a negative but statistically insignificant effect on the financial performance of listed deposit money banks in Nigeria. This implies that firm age does not significantly moderate the relationship between board size and financial performance. In other words, whether a bank is old or newly established, the influence of board size on performance remains largely unchanged. This outcome suggests that the age of a firm does not enhance or weaken the effect of board size in improving profitability.

The moderating effect between firm age and board composition exhibits a positive and statistically significant effect on the financial performance of listed deposit money banks in Nigeria. This indicates that firm age significantly moderates the relationship between board composition and financial performance, implying that as banks mature, the positive influence of a well-structured board composition on performance becomes

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stronger. In essence, older banks with a balanced mix of executive and non-executive directors tend to perform better due to accumulated experience, institutional learning, and enhanced governance maturity.

The moderating effect between firm age and board diversity shows a negative but statistically insignificant relationship with the financial performance of listed deposit money banks in Nigeria. This implies that firm age does not significantly moderate the relationship between board diversity and financial performance, suggesting that the benefits of diversity such as improved creativity, broader perspectives, and inclusive decision-making do not necessarily increase with organisational age.

The interaction term between firm age and audit committee size reveals a positive and statistically insignificant relationship with the financial performance of listed deposit money banks in Nigeria. This indicates that firm age does not significantly moderate the relationship between audit committee size and financial performance. In essence, as banks become older and more established, the positive influence of an effectively sized audit committee on financial outcomes declines.

The interaction between firm age and managerial ownership shows a negative but statistically insignificant relationship with the financial performance of listed deposit money banks in Nigeria. This implies that firm age does not significantly moderate the relationship between managerial ownership and financial performance. In other words, whether a bank is older or younger does not meaningfully influence how managerial ownership affects its profitability.

5. Conclusion and Recommendations

The general findings of this study reveal that corporate governance mechanisms, alongside firm age as a moderating factor, play varying roles in shaping the financial performance of listed deposit money banks in Nigeria. Specifically, the results indicate that board size has a positive but insignificant impact on financial performance. Conversely, board composition has a significant positive influence. Board diversity, however, exhibits an insignificant negative effect. Similarly, audit committee size demonstrates a significant negative effect. Managerial ownership has a positive but statistically insignificant impact.

Furthermore, the moderating role of firm age reveals mixed outcomes. Firm age significantly moderates the relationship between board composition, audit committee size, and financial performance, indicating that older banks benefit more from experienced governance structures. However, firm age does not significantly moderate the relationship between board size, board diversity, or managerial ownership and financial performance.

Based on the findings of this study, several key recommendations are made to enhance the financial performance of listed deposit money banks in Nigeria through improved corporate governance practices: The banks should strengthen the composition of their boards by ensuring a balanced mix of executive and non-executive directors with relevant expertise, experience, and independence.

Managerial ownership structures should be reviewed to align management interests with those of shareholders. Although managerial ownership showed a positive but insignificant relationship with financial performance, banks can introduce incentive-based ownership programs that promote long-term value creation rather than short-term gains.

Older banks should optimise their audit committee structures by pairing experience with the appropriate committee size to avoid inefficiencies while maintaining strong oversight.

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