# Audit quality and financial performance of listed deposit money banks in Nigeria

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**Abstract :** The role of audit quality in enhancing the financial performance of listed Deposit Money Banks (DMBs) in Nigeria is an important issue as shareholders are interested in the credibility of financial information disclosed by the firms' financial statements. This study examined the impact of audit firm size, audit fees and audit report lag on the return on assets of listed DMBs in Nigeria. The Ex-post facto research design was adopted for the study. The study population was made up of sixteen (16) DMBs and ten (10) banks were sampled purposively. The secondary data were extracted from the audited annual report of the sampled banks. The data extracted covering the period of 2013 to 2022 were analyzed using the descriptive and regression analysis. The findings revealed that audit firm size has a positive and significant impact on return on assets ($\beta$= 0.019, P< 0.01); audit report lag has a negative and significant influence on return on assets ($\beta$= -0.000, P<0.05); audit fees have an insignificant impact on return on assets ($\beta$= 0.002, P> 0.05). The study concluded that audit fee levels do not conclusively determine the financial performance outcomes and shorter audit report lags enhance timelines and credibility. It was recommended that regulators should establish optimal timelines for audit report releases, thereby balancing the need for rigorous audits with market demand for timely information.
**Key words:** Audit quality,financial performance, return on assets, audit fees, Deposit Money Banks

**Résumé :** Le rôle de la qualité de l'audit dans l'amélioration de la performance financière des banques de dépôt cotées au Nigéria est un enjeu majeur, les actionnaires étant soucieux de la crédibilité des informations financières publiées dans les états financiers de ces établissements.

Cette étude examine l'impact de la taille du cabinet d'audit, des honoraires d'audit et du délai de publication du rapport d'audit sur la rentabilité des actifs des banques de dépôt cotées au Nigéria. Une méthodologie ex post facto a été adoptée. La population étudiée était composée de seize (16) banques de dépôt, dont dix (10) ont été sélectionnées par échantillonnage raisonné. Les données secondaires ont été extraites des rapports annuels audités des banques sélectionnées. Les données extraites, couvrant la période 2013-2022, ont été analysées à l'aide d'analyses descriptives et de régression. Les résultats révèlent que la taille du cabinet d'audit a un impact positif et significatif sur la rentabilité des actifs ($\beta = 0,019$, $p < 0,01$) ; le délai de publication du rapport d'audit a une influence négative et significative sur la rentabilité des actifs ($\beta = -0,000$, $p < 0,05$). Les honoraires d'audit ont un impact négligeable sur la rentabilité des actifs ($\beta = 0,002$, $p > 0,05$). L'étude conclut que le niveau des honoraires d'audit ne détermine pas de manière concluante les résultats financiers et que des délais de publication plus courts améliorent la réactivité et la crédibilité des rapports d'audit. Il est recommandé aux autorités de réglementation d'établir des délais optimaux pour la publication des rapports d'audit, afin de concilier la nécessité d'audits rigoureux et la demande du marché pour une information rapide.
**Mots-clés :** Qualité de l'audit, performance financière, rentabilité des actifs, honoraires d'audit, banques de dépôt

## Introduction

Financial statements are a basic source of information for shareholders and other stakeholders to make sound economic and commercial decisions (Saddam et al., 2020). Through the disclosure of financial position, performance, and cash flow information, financial reports help the users to assess the corporate financial health and managerial stewardship. High audit quality increases the credibility, reliability and completeness of financial information, while poor audit quality may allow financial misstatement, fraud and manipulation of earnings to go undetected, which may lead to financial losses for investors and other stakeholders (Agana et al., 2022). Consequently, the financial reporting integrity of banks in Nigeria is closely related to the effectiveness and independence of external auditors.

The need for audit services stems from several structural factors that are inherent in modern corporations. According to Onaolapo and Ajulo (2017), these are remoteness between the preparers and users of financial statements, conflict of interest between management and shareholders, complexity of economic transactions, and the significant influence of financial reports on decision-making. External auditors help bridge this gap by providing an independent assurance that financial statements are free from material misstatement. By reducing information asymmetry, financial statement audits help to protect the interests of shareholders and increase confidence in capital markets (Flayyih, Ali, & Mohammed, 2018). However, the effectiveness of this assurance role depends on the adequacy and the appropriateness of audit evidence obtained during the audit process; insufficient evidence may result in incorrect audit opinions and the deterioration of the quality of the audit (Ilaboya and Ohiokha, 2014). Globally and locally, corporate accounting scandals have led

to a general distrust of the effectiveness of audits. The collapses of Enron and WorldCom in 2001 and 2002 respectively, and the Nigerian cases of Cadbury Nigeria Plc, Lever Brothers (now Unilever Nigeria Plc) and African Petroleum demonstrated serious deficiencies in financial reporting and audit oversight (Badawi, 2008; Enofe, 2010; Onaolapo and Ajulo, 2017). These events highlight the need for strong audit mechanisms in ensuring the credibility of financial statements.

Differences in audit quality (as proxied by factors such as audit firm size, audit report lag, audit fees, audit specialization, and audit tenure) may lead to differences in the credibility of auditors and the reliability of reported earnings (Onaolapo & Ajulo, 2017). Badawi (2008) and Enofe (2010) argue that the capacity of audit quality to limit earnings manipulation and financial misrepresentation has become increasingly suspect because of corporate scandals. Nonetheless, the quality and credibility of financial statements are still very much dependent on the effectiveness of audits (Siregar &Nuryanah, 2019). In the Nigerian banking sector, issues still abound that poor financial performance may, in part, be attributed to weak audit practices and poor oversight (Afolabi &Fawale, 2022). While regulatory authorities have implemented measures to enhance audit standards and governance frameworks, challenges such as a lack of auditor training and experience, pressure to manipulate financial statements to meet performance targets, and weaknesses in internal controls continue to pose a threat to audit effectiveness. Moreover, empirical discussions are inconclusive on the extent to which audit quality has a significant influence on financial performance in developed and developing economies (Egbunike & Abiahu, 2017; Koh et al., 2014). Hence, this study examined the role of audit quality in enhancing the financial performance of deposit money banks in Nigeria.

**Objectives of the Study**

The main aim of this study is to assess the impact of audit quality on financial performance of Deposit Money Banks (DMBs) in Nigeria. Specifically, the study objectives are to:

i. ascertain the impact of audit firm size on the Return on assets of Deposit Money Banks (DMBs) in Nigeria;

ii. examine the influence of audit fees on the Return on assets of Deposit Money Banks (DMBs) in Nigeria; and

iii. determine the effect of audit report lag on the Return on assets of Deposit MoneyBanks (DMBs) in Nigeria.

Arising from the studies of Irem et.al., 2024; Olusola et.al., 2023 and few others, it was discovered that the variables used were not enough, for instance, audit report lag as a variable, is scarcely examined. Audit report lag can be used as a dimension of audit quality and its impact on financial performance can thus be investigated. Hence, the need to investigate the impact of audit firm size, audit fees and audit report lag on financial

performance of listed deposits money banks in Nigeria. The rest of this article is divided into literature review, methodology, findings, and conclusion and recommendations.

## 1. Literature Review and Development of Research Hypotheses

### Financial Performance

Financial performance refers to the monetary outcomes achieved by a firm or corporate business organization. Financial performance can be measured by the amount of profit made. Financial performance measures are return on assets, profit after tax or net profit. Return on assets is used in this study to measure financial performance.

### Return on Assets (ROA)

Return on Assets can be defined as a type of return-on-investment metric that measures the profitability of a business in relation to its total assets. ROA gives a manager investor, or analyst as to how efficient a company's management is at using its assets to generate earnings. Rosikah, et.al (2018) opine that ROA is used to measure a company's capability to create profits using total owned assets by the company in future. Higher ROA shows that company is very effective, and this is a positive sign for investors to invest their stock in the company, and thus increase the company's stock in the capital market.

Return on Assets (ROA) is a metric that evaluates a company's profitability in relation to its total assets. As noted by Robin, Salim, and Bloch (2018), ROA reveals how effectively a company utilizes its assets to generate earnings, providing insight into its asset utilization efficiency. Return on Assets (ROA) reveals the earnings generated from investments in assets. However, ROA can vary significantly across industries, making it crucial to compare a company's ROA with its past performance or that of similar companies.

ROA indicates how efficiently a company converts investments into net income, with higher ROA indicating greater earnings from fewer assets. Due to differing asset utilization across industries, ROA is most effective for comparing companies within the same sector. For instance, service-oriented businesses like banks tend to have higher ROA compared to capital-intensive industries like construction or utilities. Ultimately, ROA measures a company's asset utilization efficiency, making it a more valuable metric for certain businesses with significant asset investments.

### Audit Quality

Audit quality is the dual capability of external auditors to detect and report any misrepresentation or anomaly identified during the audit engagement, should it remain uncorrected by the client (Salehi et al., 2022). The technical and the professional expertise of the staff of the audit firms are key determinants of the quality of audit done. That is why the auditors are widely recognized as the primary determinants of audit quality, which

necessitates rigorous processes and procedures before they are certified as practicing auditors. The various dimensions of audit quality focused on in this study are audit firm size, audit fees, and audit report lag. These are examined hereafter.

**Audit Firm Size**

Audit firm size is defined by three criteria: the wealth of the audit partners; the size of the partners' client portfolios; and the number of audit partners in the firm. Audit firm size can be described based on the number of partners, professional staff, and total number of partners served. The operational definition of audit firm size in the context of sampled Deposit Money Banks in Nigeria is their capacity to engage the services of any of the major audit firms, namely KPMG, Ernst &Young, PwC (Price Waterhouse Coopers), Akintola Williams, and Deloitte, as mentioned in studies by Egbunike and Abiahu (2017), Adeniyi and Mieseigha (2013), and Enofe et al. (2013).

In the audit quality literature, the size of the audit firm (Big 4 or non-Big 4) is often used as a proxy for audit quality. This measure has been discussed in various contexts, including a study by Rashid et al. (2015). The notion is that larger audit firms have a stronger reputation and more to lose if their clients engage in financial misstatements, thus they have a greater incentive to issue clean reports (DeAngelo, 1981). The capital market responds more positively when a firm switches to a Big 4 audit firm. Research has shown that clients of Big 4 audit firms have a higher earning response coefficient (ERC) compared to clients of non-Big 4 audit firms (Mollik&Bepari, 2014). Several studies have investigated whether the auditor brand name, as proxied by auditor size (Big 6/5/4), is associated with financial performance (Bala et al., 2018).

**Audit Fees**

Audit fees can be defined as the aggregate fees billed in each of the accounting years for professional services rendered by audit firms. During the actual audit work, the audit fee influences not only audit quality but also the development of accounting firms and the audit industry (Siheng, 2017). In the work of Moutinho (2012), all other things considered, if an auditor wishes to decrease the risk of issuing a clean opinion when there are materially relevant distortions in the client's financial statements, he generally acts as the nature, extent, and timing of audit procedures, which, naturally, influence the final amount of required fees.

Audit fees are agency fees for auditors who do audits. The audit price covers audit services, risk compensation and profit demand. In the 1980s, Simunic developed a model demonstrating how audit fees are determined. Since then, numerous scholars have consistently found that factors corresponding to the appropriate allocation of audit fees lead to observed outcomes (Moutnho, 2012).

Theoretically, the amount paid by a client for audit services reflects the extent of audit

services the firm must provide within the auditing process. Many studies use audit fees as a proxy for audit quality due to the intangible nature of audit quality (Bliss et al., 2011). This study also employs audit fees as a measure of audit quality, consistent with previous research (Bliss et al., 2011; Hassan & Farouk, 2014; Moutinho, 2012; Mustapha et al., 2019; Stanley, 2011).

**Audit report lag**

Audit report lag can be defined as the period between a company's accounting year end and the audit report date. It is an indicator of timeliness. Dibia and Onwuchekwa (2013) unveiled that undue audit lag reduces the quality of financial reporting by not providing timely information to investors and prospective investors. Ibrahim et al., 2020 noted that an annual report is a vehicle for discharging accountability and that audit delays increase with audit effort, decrease with incentives to give a timely report, and increase with a structured audit strategy. Also, Alzoubi (2019) revealed that audit latency decreases financial reporting quality by not delivering timely information to investors. In other words, a delayed audit report can cause investors to lose faith in the agency's findings.

**Agency Theory**

Agency theory can be traced to Jensen and Meckling in 1976. It is a statement about the contractual relationship between the company management and business owners (Jensen &Meckling, 1976). Eisenhardt (1989) further opine that agency theory extend to the areas of management to determine how the objectives of individuals in an organization can be harmonized and used to achieve the corporate goals of the organization.

Agency theory, therefore, is the relationship or the interaction between the principal and the agent. Usually the principal; employ the agent to function on his or her behalf. The agent is expected to represent the principal in specific business activities and he or she is expected to do so without compromising the interest of the principal. To ensure that the agents follow the interest of the principal, the activities of the agents need to be monitored and managed better. Anthony, et.al. (2012) argue that agency theory also assumes that if the principal and the agents are mainly concerned about maximizing their wealth, agents are likely going to act their self-interest rather than the interest of the principal.

In the context of this study, agency theory clarifies how the owners of the corporations can use auditing to curb the excesses of the management and optimize the allocation of resources. By building confidence in business dealings and increasing the reliability of information disclosures by bank management (the less informed party), agency theory predicts that there would be a positive relationship between audit quality and financial performance.

**Development of research hypotheses**

**Audit Firm Size and Return on Assets**

In the audit quality literature, the size of the audit firm (Big 4 or non-Big 4) is often used as a proxy for audit quality. This measure has been discussed in various contexts, including a study by Rashid et al. (2015). The notion is that larger audit firms have a stronger reputation and more to lose if their clients engage in financial misstatements, thus they have a greater incentive to issue clean reports (DeAngelo, 1981. The capital market responds more positively when a firm switches to a Big 4 audit firm. Research has shown that clients of Big 4 audit firms have a higher earning response coefficient (ERC) compared to clients of non-Big 4 audit firms. Joe and Azubike (2022) who focused on the audit quality and financial performance of financial report of Deposit Money Banks in Nigeria found there exist positive relationship between audit firm size and the earnings per share of Deposit Money Banks in Nigeria. Agana, et.al. (2022) also found that audit firm size encourages the value of firm performance. However, Hirhyel and Abdon (2020) in examining the effect of audit quality on the value of firms of listed Deposit Money Banks in Nigeria found that audit size has no significant influence on firm value of the banks. But Oluyinka et al., (2020) further found out that audit firm size, has a significant effect on the financial reporting quality of firms. Again, Chukwuma, et.al. (2020) in studying the effect of audit quality on the financial performance of all the 15 listed DMBs in Nigeria found that audit firm size has a significant and positive relationship with ROA of firms. Hence, from the above discussions, this study hypothesized that:

**H1: Audit firm size has a significant influence on return on assets of DMBs in Nigeria.**

**Audit Fees and Return on Assets**

The audit fee effects audit quality, accounting firm growth, and the audit sector (Saddam et. at, 2020). Stanley (2011) investigated the relationship between profitability and auditor remuneration using data from US public listed companies over seven years. The results showed a positive link between audit fees and clients' financial performance, but at the expense of audit quality in the long run. The higher the audit fee, the more comprehensive the audit services provided to clients, whereas lower audit fees imply less extensive services.

In the study of Adeyemo, et.al (2023) it was found that audit fees had a positive and statistically significant effect on the return on assets and earnings per share of the sampled banks. Similarly, it was found that the specialization of auditing had a positive and significant impact on both return on assets and earning per share. Joe and Azubike (2022) in their study also found thataudit fee, (audit firm size)has a positive relationship on the earnings per share (a measure of financial performance) in Deposit Money Banks in Nigeria. Audit fee encourage the value of firm performance in Deposit Money Banks as found in the study of Agana, et.al. (2022). However, Ado, et.al. (2020) in their study of impact of quality of audit on financial performance of listed companies in Nigeria found that audit fee shows a positively and insignificant relationship with ROA.

Hence, arising from the forgoing review of literature, this study postulates that:

**H2 : Audit fees significantly influence financial performance of DMBs in Nigeria.**

**Audit Report Lag and Return on Assets**

Dibia and Onwuchekwa (2013) revealed that undue audit lag reduces the quality of financial reporting by not providing timely information to investors and prospective investors. Also, Alzoubi (2019) found that audit latency decreases financial reporting quality by not delivering timely information to investors. In other words, a delayed audit report can cause investors to lose faith in the agency's findings.The study of Agana, et.al. (2022) however, found that audit report lag exerts a negative influence on the performance index of Deposit Money Banks in Nigeria. Abdullahi and Lawal (2019) in their examination of the effect of audit quality on financial performance of listed Deposit Money Banks discovered that audit report timeliness were the key drivers of financial performance of listed DMBs in Nigeria. More so,there exist positive relationship between audit report lag and the earnings per share of Deposit Money Banks in Nigeria. Also, audit report lag exerts a negative influence on the performance index of Deposit Money Banks in Nigeria (Joe and Azubike, 2022). Therefore, arising from the above review, this study hypothesized that:

**H3: Audit report lag has a significant effect on Return on assets of DMBs in Nigeria**

## 2. Methodology

The research design adopted in this study is the ex-post facto research design. The expost design was used as it offers a comprehensive and in-depth analysis that determines the relationship between variables using facts and figures. According to Denga and Ali (1989), ex-post facto design gathers and analyzes data in order to investigate the cause-and-effect relationship between variables and identify existing outcomes.

The population of this work was Deposit Money Banks listed in Nigerian Exchange Group (NGX). There are 16 publicly listed Nigerian banks as at 31st December 2023 (NGX 2023), they include; Access bank, Eco bank plc, Fidelity bank, First bank of Nigeria, FCMB plc, Guarantee trust bank plc, Jaiz bank, Stanbic IBTC, Polaris bank, Citi bank, Sterling bank, Union bank, UBA plc, Unity bank, Wema bank and Zenith bank. Purposive sampling technique was used in order to select 10 banks out of the 16 Deposit Money Banks listed on Nigerian Exchange Group. This technique was employed so as to get the appropriate information on the financial performance of Deposit Money Banks in Nigeria. This study covered the annual reports and accounts of (10) selected Deposit Money Banks in Nigeria Namely: First Bank, Guaranty Trust Bank, United Bank of Africa, Unity Bank, Zenith Bank, Fidelity Bank, FCMB, Sterling Bank, Eco Bank and Wema Bank from 2013-2022. These banks were chosen depending on their financial performance over the years and the availability of financial statements for the period under study. The data used in this study

are secondary data. The data will be extracted from the published annual reports of ten (10) selected Deposit Money Banks (DMBs) in Nigeria, for ten (10) years period from 2013 to 2022.

**2.1 Mode specification**

The model's functional specification was written as follows ;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$ ..... (1)

Therefore, rewriting the model in line with equation 1 above, the study has that:

$ROA = f(AFS, AF, ARL)$

Where;

ROA = Return on Assets

AFS = Audit Firm Size

AF = Audit Fee

ARL = Audit Report Lag

Thus, the behavioural influence is given as;

$ROA_t = \beta_0 + \beta_1 AFS_t + \beta_2 AF_t + \beta_3 ARL_t + \mu$ ……..(2)

In a bid to control all the variable values in the equation (2) using Bank size (BS), we rewrite

equation (3) as;

$ROA_t = \beta_0 + \beta_1 AFS_t + \beta_2 AF_t + \beta_3 ARL_t + \beta_4 BS_t + \mu$ ……(3)

Where;

$\beta_0$ = intercepts

$\beta_1$, $\beta_2$, $\beta_3$ = Coefficients of the independent variables

$\beta_4$ = Bank size (control variable)

t = Periods 2013 through 2022

$\mu$= error .

## 2.2 Variables measurements

The dependent variable in this study, Return on Assets (ROA) was measured by diving total earnings by total assets values of the sampled firms (Egbunike and Abiahu, 2017).

Audit Firm Size (AFS) as an independent variable was measured using a binary variable that takes the value of 1 for Big 4 audit firms and 0 for others (Siheng, 2017).

Audit Fees (AF) as an independent variable was measured in the study as the natural logarithm of the audit fees paid by the company (Yuniarti, 2011).

Audit Report Lag (ARL) as an independent variable was measured in this study as the number of days between the closing date of the company's books and the date of signing the independent auditor's report (Carslaw and Kaplan, 1991).

The control variable, Bank Size (BS) was measured as the natural logarithm of total assets (Gerayli et al., 2011).

## 2.3 Method of data analysis

The data collected was analysed using descriptive and regression methods of analysis. Specifically, panel regression analysis was employed to estimate the degree of the independent variables on the dependent variable.

## 3. Findings

### 3.1 Descriptive Statistics

Table 1 shows the descriptive statistics of the variables used in the study, on the basis of 100 firm-year observations. Return on Assets (ROA) has a minimum value of -0.144 and a maximum value of 0.329 with a mean value of 0.02137 and a standard deviation of 0.038765. This implies low but positive average profitability of firms, although the range implies that there are both loss-making and highly profitable firms. Audit Firm Size (AFS) which is measured as a dummy variable (0-1) has a mean value of 0.89 and a standard deviation of 0.314, which means majority (89%) of the sampled firms are audited by large audit firms. Audit Fees (AF) has a range of 7.344 to 8.820 and mean of 8.18247 with standard deviation of 0.427611, which represents a moderate variation. Audit Report Lag (ARL) has an average of 35.15 days (SD = 8.572) and Board Size (BS) has a mean of 11.93083 (SD = 0.824657) which indicates a relatively stable composition of the board across firms.

**Table 1: Descriptive Statistics of the Variables**

| Descriptive Statistics | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| ROA | 100 | -.144 | .329 | .02137 | .038765 |
| AFS | 100 | 0 | 1 | .89 | .314 |
| AF | 100 | 7.344 | 8.820 | 8.18247 | .427611 |
| ARL | 100 | 21 | 49 | 35.15 | 8.572 |
| BS | 100 | 9.987 | 13.098 | 11.93083 | .824657 |

*Source: Researcher's Computation (2024)*

### 3.2 Correlation Matrix

Table 2 is the Pearson correlation matrix that illustrates the relationship between the study variables. The results show that ROA is positively and significantly correlated with Audit Firm Size (AFS) ($r = 0.327$, $p < 0.01$) and Board Size (BS) ($r = 0.509$, $p < 0.01$) which implies that firms that are audited by large audit firms and firms with larger boards tend to have higher profitability. ROA is also negatively and significantly related to Audit Report Lag (ARL) ($r = -0.215$, $p < 0.05$) which implies that longer reporting delay is associated with lower firm performance. However, there is a positive but not statistically significant relationship between ROA and Audit Fees (AF) ($r = 0.168$). Furthermore, AFS is negatively correlated with ARL ($r = -0.394$, $p < 0.01$), meaning that larger audit firms are related to shorter audit delays. Board Size has a positive and significant correlation with Audit Fees ($r = 0.454$, $p < 0.01$). In general, the coefficients do not indicate serious multicollinearity problems.

**Table 2: Correlation Matrix**

| | | **ROA** | **AFS** | **AF** | **ARL** | **BS** |
|---|---|---|---|---|---|---|
| ROA | Coef. | 1.000 | | | | |
| | Sig. | - | | | | |
| | N | 100 | | | | |
| AFS | Coef. | 0.327** | 1.000 | | | |
| | Sig. | 0.001 | - | | | |
| | N | 100 | 100 | | | |
| AF | Coef. | 0.168 | -0.024 | 1.000 | | |
| | Sig. | 0.095 | 0.812 | - | | |
| | N | 100 | 100 | 100 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| ARL | Coef. | -0.215* | -0.394** | 0.135 | 1.000 | |
| | Sig. | 0.032 | 0.000 | 0.180 | - | |
| | N | 100 | 100 | 100 | 100 | |
| BS | Coef. | 0.509** | 0.293** | 0.454** | -0.149 | 1.000 |
| | Sig. | 0.000 | 0.003 | 0.000 | 0.139 | - |
| | N | 100 | 100 | 100 | 100 | 100 |

** Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

*Source: Researcher's Computation (2024)*

**Multicollinearity results**

The results of the test of multicollinearity based on Tolerance and Variance Inflation Factor (VIF) statistics are presented in Table 3. The Tolerance values in the independent variables namely Audit Firm Size (AFS), Audit Fees (AF), Audit Report Lag (ARL) and Board Size (BS) range from 0.698 to 0.802. Since all tolerance values are well above the conventional threshold of .10, this means that there are no serious concerns about multicollinearity. Similarly, the corresponding VIF values fall in the range 1.247 to 1.433 which are well below the critical threshold of 10 (and even below the more conservative threshold of 5). These results indicate that the explanatory variables are not highly correlated with each other and that they each provide unique information to the regression model. Overall, the results support the view that multicollinearity is not a danger to the reliability and stability of the estimated regression coefficients.

**Table 3: Multicollinearity Test Results**

| **Variables** | **Tolerance** | **VIF** |
|---|---|---|
| AFS | 0.796 | 1.256 |
| AF | 0.763 | 1.311 |
| ARL | 0.802 | 1.247 |
| BS | 0.698 | 1.433 |

*Source: Researcher's Computation (2024)*

**3.3 Regression Results**

Table 4 shows the regression results investigating the impact of Audit Firm Size (AFS),

Audit Fees (AF), Audit Report Lag (ARL) and Board Size (BS) on firm's performance in terms of Return on Assets (ROA). The overall model is statistically significant as the F-statistic is 14.082 with the corresponding p-value as 0.000. This implies that the independent variables explain the variations in firm profitability together. The coefficient of determination (R-squared) is 0.369, which means that about 36.9% of the variation in ROA is explained by the explanatory variables in the model. The adjusted R-squared of 0.345 further confirms that, after taking into account the number of predictors, about 34.5% of the changes in firm performance are explained by the model. This suggests a moderate explanatory power, implying that although the governance and audit related variables included in the model are important determinants of performance, there may be other factors that are not reflected in the model that may also affect profitability.

With regard to the individual regression coefficients, Audit Firm Size (AFS) has a positive and statistically significant effect on ROA (beta = 0.019, t = 2.875, p = 0.005). This finding suggests that companies audited by larger audit firms are likely to have better financial performance than companies audited by smaller audit firms. The result is significant at the 1% level, thus supporting the argument that large audit firms may increase the quality of financial reporting, increase monitoring mechanisms and improve investor confidence, which in turn leads to increased profitability. Contrarily, Audit Fees (AF) has a positive but statistically insignificant relationship with ROA (beta = 0.002, t = 1.112, p = 0.269). Although the positive sign indicates that higher audit fees may be related to higher performance, the fact that it is not statistically significant means that audit fees do not have a meaningful direct impact on profitability in the firms sampled. This outcome may suggest that the payment for audit services alone may not necessarily lead to improved operational efficiency or financial outcomes.

Furthermore, Audit Report Lag (ARL) has a negative and statistically significant relationship with ROA (beta = -0.000, t = -2.416, p = 0.018), which is significant at the 5% level. This implies that the delays in the issuance of audit reports are related to lower firm profitability. The negative coefficient suggests that longer reporting lags may indicate inefficiencies, internal control weaknesses or financial reporting complexities that may negatively impact firm performance. Although the coefficient is numerically small, its statistical significance indicates the importance of timely financial reporting in improving the value of a firm. In addition, Board Size (BS) shows a positive and highly significant relationship to ROA (beta = 0.014, t = 4.297, p = 0.000). This suggests that firms with larger boards tend to have better financial performance, perhaps because of greater expertise, a wide range of perspectives, and improved functioning oversight. The high degree of importance highlights the importance of the board structure on corporate outcomes. Overall, the results of the regression analysis support the empirical evidence of the importance of audit quality and corporate governance mechanisms in determining firm profitability.

**Table 4: Regression Results**

| Variables | Coefficient | t-statistic | p-value |
|---|---|---|---|
| Constant | -0.158 | -3.249 | 0.002 |
| AFS | 0.019 | 2.875 | 0.005 |
| AF | 0.002 | 1.112 | 0.269 |
| ARL | -0.000 | -2.416 | 0.018 |
| BS | 0.014 | 4.297 | 0.000 |
| R-squared | 0.369 | | |
| Adj. R-squared | 0.345 | | |
| F-statistic | 14.082 | | 0.000 |

*Dependent variable*

*Source: Researcher's Computation (2024)*

## 4. Discussion of Findings

The overall regression results shows that audit quality and governance variables have a statistically significant combined effect on firm performance, thus supporting the relevancy of monitoring mechanism in improving profitability. The model's explanatory power, though moderate, suggests audit-related attributes and board structure explain variations in ROA, but not fully. This is significant because it reinforces the proposition that financial performance is determined by a combination of internal governance structures and external assurance mechanisms rather than audit quality alone. In setting this in the context of previous empirical studies, there is a large body of Nigerian research that states that audit quality variables have a significant effect on financial performance (Irem et al., 2024; Adeyemo et al., 2023; Abdullahi & Lawal, 2019). Similarly, broader panel-based and ex-post facto analyses confirm audit quality dimension as contributing to better profitability and firm value (Joe & Azubike, 2022; Chukwuma et al., 2020). However, the moderate explanatory strength found in the current study qualifies these prior assertions by indicating that audit quality, though important, is part of a broader set of determinants. Thus, instead of simply supporting previous research, this study adds to the literature by emphasizing the relative, rather than absolute, role of audit and governance variables in generating performance outcomes.

The positive and significant impact of audit firm size on ROA provides strong evidence to support the argument that large or reputable audit firms provide greater effectiveness of monitoring, reduce information asymmetry, and increase the credibility of financial reporting. This is consistent with studies that report substantial positive relationships between audit firm size or specialization and financial performance or firm value

(Adeyemo et al., 2023; Chukwuma et al., 2020; Joe & Azubike, 2022). Evidence from firm value and conservatism studies further supports the idea that high quality auditors (especially brand-name or industry specialized firms) enhance reporting credibility and reduce agency costs (Hirhyel & Abdon, 2020; Nishtiman et al., 2019). Nonetheless, some contrasting evidence suggests that the size of audit may not always have a statistically significant impact on firm value (Hirhyel & Abdon, 2020), implying that contextual factors may moderate this relationship. The present finding therefore reinforces the dominant position that audit firm size is a meaningful performance driver within this setting. On the other hand, the lack of significant relationship between audit fees and ROA brings in a crucial divergence. While a number of studies show a positive and significant relationship between audit fees and performance (Adeyemo et al., 2023; Abdullahi & Lawal, 2019), others show insignificant or mixed results (Ado et al., 2020; Chukwuma et al., 2020). The current evidence is more consistent with the latter strand, and indicates that higher audit fees do not necessarily lead to better profitability. This suggests audit fees may capture firm complexity or risk exposure rather than incremental audit quality and thus challenge simplistic interpretations that higher audit fees are associated with better performance outcomes.

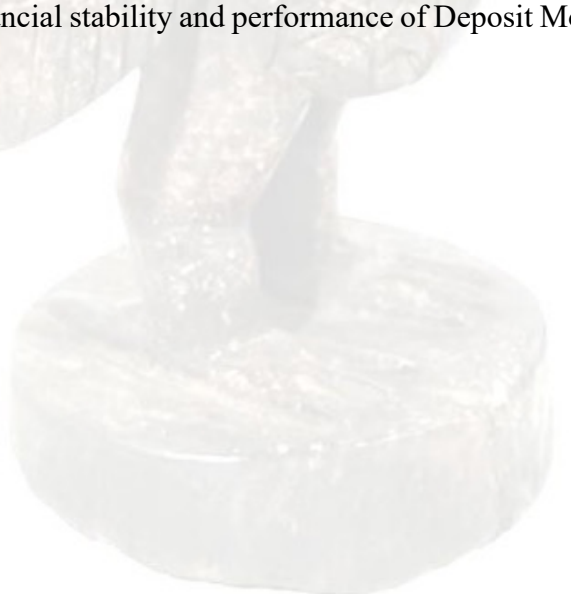
The negative and significant relationship between audit report lag and ROA further adds to the discussion by highlighting the importance of timeliness in financial reporting. This result is in line with previous studies that have shown that the timeliness of audit has a significant effect on the financial performance (Agana et al., 2022; Abdullahi & Lawal, 2019). Delayed audit reports could indicate inefficiencies, internal control weaknesses, or financial distress, which can result in a lack of confidence among investors and negatively impact profitability. By confirming this negative linkage, the study adds to the argument that timeliness is not only a compliance requirement but a value-relevant governance mechanism. Additionally, the positive and highly significant impact of board size supports the governance perspective that wider board composition will provide greater monitoring capacity and strategic oversight. While much of the reviewed literature is primarily concerned with the quality of audit, studies exploring professional competence and objectivity also focus on the role of governance-related attributes in shaping financial outcomes (Olusola et al., 2023). Collectively, the results indicate that audit quality and internal governance structures are complementary rather than substitutive mechanisms. This integrated interpretation makes a significant contribution to the literature by showing that audit firm size and board structure have strong positive effects, that audit timeliness is a key constraint, and that audit fees alone are not sufficient predictors of profitability. In doing so, the study provides a balanced and critically grounded contribution to on-going debates on audit quality and firm performance.

## Conclusion (and recommendations)

The study concludes that the quality and governance mechanisms of audit play a significant

role in determining the financial performance of Deposit Money Banks in Nigeria. Specifically, the engagement of Big Four audit firms is linked to better financial performance, in terms of Return on Assets, indicating that globally affiliated auditors supply additional monitoring, technical expertise, and reputational capital that boosts market confidence. This finding strengthens the proposition that auditor credibility is an important signal to investors and other stakeholders in emerging markets that are characterized by information asymmetry. In contrast, there is no statistically significant relationship between audit fees and financial performance, suggesting that the size of audit remuneration alone is not sufficient to ensure better profitability results. This implies that audit fees may not be incremental audit quality but may reflect operational complexity or risk exposure. Furthermore, shorter audit report lags are significantly associated with improved financial performance, indicating the value relevance of timely financial reporting in maintaining investor trust and better firm outcomes.

In view of these conclusions, it is recommended that Deposit Money Banks should focus on the appointment of reputable and globally affiliated audit firms in order to improve the credibility of their financial reporting and increase stakeholder confidence. While audit fees should be commensurate with engagement risk and complexity, management should pay less attention to the magnitude of fees and more attention to the qualitative attributes of audit service delivery. Regulatory authorities should conduct further sector-specific reviews to better understand the structural and institutional factors that underlie the insignificant association between audit fees and performance, specifically with regard to audit pricing dynamics and quality differentiation. In addition, regulators should strengthen policies that encourage the timely completion and reporting of audits, by setting clear and enforceable timelines for reporting. Such measures would help in minimizing prolonged audit delays, enhance transparency and maintain investor market confidence, which will support the overall financial stability and performance of Deposit Money Banks in Nigeria.



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# APPENDIX

| Firm | Year | ID | Profit for the Year | Audit Fees | Total Assets | ROA | AFS | AF | ARL | BS |
|---|---|---|---|---|---|---|---|---|---|---|
| **Guaranty Trust Bank Plc** | 2013 | 1 | 85,545,510,000 | 256,600,000 | 1,904,365,795,000 | 0.045 | 1 | 8.409256652 | 35 | 12.27975037 |
| **Guaranty Trust Bank Plc** | 2014 | 1 | 89,171,000,000 | 300,000,000 | 2,126,608,000,000 | 0.042 | 1 | 8.477121255 | 44 | 12.32768744 |
| **Guaranty Trust Bank Plc** | 2015 | 1 | 94,308,000,000 | 330,000,000 | 2,277,629,000,000 | 0.041 | 1 | 8.51851394 | 28 | 12.35748298 |
| **Guaranty Trust Bank Plc** | 2016 | 1 | 126,836,792,000 | 400,000,000 | 2,613,340,074,000 | 0.049 | 1 | 8.602059991 | 41 | 12.41719593 |
| **Guaranty Trust Bank Plc** | 2017 | 1 | 161,284,680,000 | 475,000,000 | 2,824,928,985,000 | 0.057 | 1 | 8.67669361 | 24 | 12.45100753 |
| **Guaranty Trust Bank Plc** | 2018 | 1 | 166,919,765,000 | 500,000,000 | 2,712,521,494,000 | 0.062 | 1 | 8.698970004 | 33 | 12.43337319 |
| **Guaranty Trust Bank Plc** | 2019 | 1 | 175,125,281,000 | 550,000,000 | 3,097,248,495,000 | 0.057 | 1 | 8.740362689 | 47 | 12.49097605 |
| **Guaranty Trust Bank Plc** | 2020 | 1 | 178,188,398,000 | 607,500,000 | 4,061,543,605,000 | 0.044 | 1 | 8.783546282 | 26 | 12.60869112 |
| **Guaranty Trust Bank Plc** | 2021 | 1 | (20,694,297,000) | 53,750,000 | 143,716,004,000 | (0.144) | 1 | 7.730378469 | 39 | 11.15750513 |
| **Guaranty Trust Bank Plc** | 2022 | 1 | 53,926,131,000 | 50,000,000 | 163,995,022,000 | 0.329 | 1 | 7.698970004 | 22 | 11.21483067 |
| **Zenith Bank Plc** | 2013 | 2 | 86,077,000,000 | 329,000,000 | 2,878,693,000,000 | 0.030 | 1 | 8.517195898 | 31 | 12.45919535 |
| **Zenith Bank Plc** | 2014 | 2 | 92,479,000,000 | 460,000,000 | 3,423,819,000,000 | 0.027 | 1 | 8.662757832 | 45 | 12.5345108 |
| **Zenith Bank Plc** | 2015 | 2 | 98,784,000,000 | 447,000,000 | 3,750,327,000,000 | 0.026 | 1 | 8.650307523 | 29 | 12.57406914 |
| **Zenith Bank Plc** | 2016 | 2 | 119,285,000,000 | 486,000,000 | 4,283,736,000,000 | 0.028 | 1 | 8.686636269 | 42 | 12.6318227 |
| **Zenith Bank Plc** | 2017 | 2 | 161,495,000,000 | 510,000,000 | 4,833,658,000,000 | 0.033 | 1 | 8.707570176 | 25 | 12.68427592 |
| **Zenith Bank Plc** | 2018 | 2 | 169,532,000,000 | 535,000,000 | 5,959,884,595,000 | 0.028 | 1 | 8.728353782 | 34 | 12.77523785 |
| **Zenith Bank Plc** | 2019 | 2 | 178,003,000,000 | 590,000,000 | 5,435,073,000,000 | 0.033 | 1 | 8.770852012 | 48 | 12.73520538 |
| **Zenith Bank Plc** | 2020 | 2 | 197,852,000,000 | 380,000,000 | 7,124,987,000,000 | 0.028 | 1 | 8.579783597 | 27 | 12.85278408 |
| **Zenith Bank Plc** | 2021 | 2 | 233,133,000,000 | 500,000,000 | 7,872,292,000,000 | 0.030 | 1 | 8.698970004 | 40 | 12.89610119 |
| **Zenith Bank Plc** | 2022 | 2 | 234,593,000,000 | 600,000,000 | 10,570,678,000,000 | 0.022 | 1 | 8.77815125 | 23 | 13.02410284 |
| **Access Bank Plc** | 2013 | 3 | 26,211,844,000 | 255,607,000 | 1,704,094,012,000 | 0.015 | 1 | 8.407572743 | 32 | 12.23149355 |
| **Access Bank Plc** | 2014 | 3 | 39,941,136,000 | 260,000,000 | 1,981,955,730,000 | 0.020 | 1 | 8.414973348 | 46 | 12.29709395 |
| **Access Bank Plc** | 2015 | 3 | 58,924,745,000 | 300,000,000 | 2,411,944,061,000 | 0.024 | 1 | 8.477121255 | 30 | 12.38236723 |
| **Access Bank Plc** | 2016 | 3 | 64,026,135,000 | 350,000,000 | 3,094,960,515,000 | 0.021 | 1 | 8.544068044 | 43 | 12.49065511 |
| **Access Bank Plc** | 2017 | 3 | 53,238,822,000 | 380,000,000 | 3,499,683,979,000 | 0.015 | 1 | 8.579783597 | 21 | 12.54402883 |
| **Access Bank Plc** | 2018 | 3 | 73,596,295,000 | 420,000,000 | 3,968,114,609,000 | 0.019 | 1 | 8.62324929 | 37 | 12.59858421 |
| **Access Bank Plc** | 2019 | 3 | 73,569,054,000 | 603,000,000 | 6,311,041,282,000 | 0.012 | 1 | 8.780317312 | 49 | 12.80010102 |
| **Access Bank Plc** | 2020 | 3 | 80,039,331,000 | 603,000,000 | 7,624,979,718,000 | 0.010 | 1 | 8.780317312 | 36 | 12.88223869 |
| **Access Bank Plc** | 2021 | 3 | 101,639,513,000 | 645,000,000 | 9,660,760,556,000 | 0.011 | 1 | 8.809559715 | 38 | 12.98501132 |
| **Access Bank Plc** | 2022 | 3 | 158,758,000,000 | 660,000,000 | 12,535,280,000,000 | 0.013 | 1 | 8.819543936 | 24 | 13.09813404 |
| **First Bank of Nigeria Plc** | 2013 | 4 | 59,365,000,000 | 300,000,000 | 3,246,577,000,000 | 0.018 | 1 | 8.477121255 | 41 | 12.51142571 |
| **First Bank of Nigeria Plc** | 2014 | 4 | 75,175,000,000 | 250,000,000 | 3,490,871,000,000 | 0.022 | 1 | 8.397940009 | 27 | 12.5429338 |
| **First Bank of Nigeria Plc** | 2015 | 4 | 2,092,312,000 | 25,000,000 | 282,831,000,000 | 0.007 | 1 | 7.397940009 | 45 | 11.45152701 |
| **First Bank of Nigeria Plc** | 2016 | 4 | 7,507,000,000 | 25,000,000 | 266,903,000,000 | 0.028 | 1 | 7.397940009 | 32 | 11.42635346 |
| **First Bank of Nigeria Plc** | 2017 | 4 | 9,275,000,000 | 25,000,000 | 269,621,000,000 | 0.034 | 1 | 7.397940009 | 29 | 11.43075372 |
| **First Bank of Nigeria Plc** | 2018 | 4 | 9,342,000,000 | 25,000,000 | 270,324,000,000 | 0.035 | 1 | 7.397940009 | 47 | 11.43188461 |
| **First Bank of Nigeria Plc** | 2019 | 4 | 13,862,000,000 | 25,000,000 | 276,176,000,000 | 0.050 | 1 | 7.397940009 | 22 | 11.44118594 |
| **First Bank of Nigeria Plc** | 2020 | 4 | 33,860,000,000 | 25,000,000 | 300,623,000,000 | 0.113 | 1 | 7.397940009 | 39 | 11.4780222 |
| **First Bank of Nigeria Plc** | 2021 | 4 | 13,048,000,000 | 30,000,000 | 298,485,000,000 | 0.044 | 1 | 7.477121255 | 25 | 11.47492251 |
| **First Bank of Nigeria Plc** | 2022 | 4 | 19,460,000,000 | 30,000,000 | 306,355,000,000 | 0.064 | 1 | 7.477121255 | 43 | 11.48622497 |
| **Fidelity** | 2013 | 5 | 20,123,376,623 | 77,922,078 | 959,920,779,221 | 0.021 | 1 | 8 | 30 | 11.98223539 |
| **Fidelity** | 2014 | 5 | 17,351,948,052 | 86,580,087 | 1,012,492,640,693 | 0.017 | 0.0 | 7.9 | 48 | 12.00539188 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fidelity** | 2015 | 5 | 20,624,242,424 | 125,541,126 | 959,453,246,753 | 0.021 | 0.0 | 8.1 | 23 | 11.98202382 |
| **Fidelity** | 2016 | 5 | 20,580,519,481 | 138,095,238 | 1,099,387,445,887 | 0.019 | 1 | 8 | 40 | 12.04115077 |
| **Fidelity** | 2017 | 5 | 18,371,428,571 | 138,961,039 | 1,269,188,744,589 | 0.014 | 1 | 8 | 26 | 12.10352621 |
| **Fidelity** | 2018 | 5 | 17,769,264,069 | 151,515,152 | 1,554,677,489,177 | 0.011 | 1 | 8 | 44 | 12.19164031 |
| **Fidelity** | 2019 | 5 | 27,164,502,165 | 155,844,156 | 1,790,689,610,390 | 0.015 | 1 | 8 | 31 | 12.25302031 |
| **Fidelity** | 2020 | 5 | 24,636,796,537 | 129,870,130 | 2,254,473,160,173 | 0.011 | 1 | 8 | 21 | 12.35304507 |
| **Fidelity** | 2021 | 5 | 25,397,835,498 | 138,528,139 | 2,413,409,523,810 | 0.011 | 1 | 8 | 38 | 12.38263102 |
| **Fidelity** | 2022 | 5 | 57,877,056,277 | 152,380,952 | 3,186,599,134,199 | 0.018 | 1 | 8 | 35 | 12.50332743 |
| **Stanbic IBTC** | 2013 | 6 | 3,582,192,208 | 77,922,078 | 306,405,706,061 | 0.012 | 0 | 8 | 33 | 11.48629685 |
| **Stanbic IBTC** | 2014 | 6 | 3,898,256,710 | 85,930,736 | 356,943,474,459 | 0.011 | 0 | 8 | 46 | 11.55259945 |
| **Stanbic IBTC** | 2015 | 6 | 4,455,661,039 | 85,930,736 | 337,424,855,844 | 0.013 | 0 | 8 | 28 | 11.52817707 |
| **Stanbic IBTC** | 2016 | 6 | 2,242,841,558 | 85,930,736 | 359,654,642,424 | 0.006 | 0 | 8 | 42 | 11.55588567 |
| **Stanbic IBTC** | 2017 | 6 | 3,660,173,160 | 93,073,593 | 462,683,116,883 | 0.008 | 1 | 8 | 49 | 11.66528365 |
| **Stanbic IBTC** | 2018 | 6 | 4,098,701,299 | 93,073,593 | 470,076,190,476 | 0.009 | 1 | 8 | 36 | 11.67216825 |
| **Stanbic IBTC** | 2019 | 6 | 4,399,567,100 | 92,207,792 | 504,549,350,649 | 0.009 | 1 | 8 | 37 | 11.70290365 |
| **Stanbic IBTC** | 2020 | 6 | 4,809,523,810 | 108,225,108 | 554,904,761,905 | 0.009 | 1 | 8 | 24 | 11.74421845 |
| **Stanbic IBTC** | 2021 | 6 | 5,802,164,502 | 82,251,082 | 697,726,839,827 | 0.008 | 1 | 8 | 41 | 11.84368543 |
| **Stanbic IBTC** | 2022 | 6 | 8,366,666,667 | 85,569,697 | 796,806,060,606 | 0.011 | 0 | 8 | 27 | 11.90135263 |
| **Union Bank** | 2013 | 7 | 67,554,113 | 88,888,312 | 9,695,380,952 | 0.007 | 0 | 8 | 45 | 9.986564878 |
| **Union Bank** | 2014 | 7 | 28,631,797,835 | 92,206,926 | 1,948,825,552,814 | 0.015 | 0 | 8 | 32 | 12.28977297 |
| **Union Bank** | 2015 | 7 | 9,565,802,165 | 88,744,589 | 2,032,162,796,537 | 0.005 | 0 | 8 | 29 | 12.3079585 |
| **Union Bank** | 2016 | 7 | 2,502,164,502 | 97,402,597 | 782,901,731,602 | 0.003 | 0 | 8 | 47 | 11.89370725 |
| **Union Bank** | 2017 | 7 | 98,520,779 | 22,090,043 | 9,710,651,082 | 0.010 | 1 | 7 | 22 | 9.98724835 |
| **Union Bank** | 2018 | 7 | 141,925,541 | 25,924,675 | 9,775,842,424 | 0.015 | 1 | 7 | 39 | 9.990154193 |
| **Union Bank** | 2019 | 7 | 116,975,758 | 29,168,398 | 10,234,278,788 | 0.011 | 1 | 7 | 25 | 10.01005724 |
| **Union Bank** | 2020 | 7 | 36,789,177 | 27,683,550 | 11,229,209,091 | 0.003 | 1 | 7 | 43 | 10.05034917 |
| **Union Bank** | 2021 | 7 | 153,987,446 | 23,498,701 | 11,931,512,121 | 0.013 | 1 | 7 | 30 | 10.07669549 |
| **Union Bank** | 2022 | 7 | 158,740,693 | 31,437,229 | 12,555,917,316 | 0.013 | 1 | 7 | 48 | 10.09884845 |
| **United Bank for Africa Plc** | 2013 | 8 | 46,485,000,000 | 180,000,000 | 2,217,417,000,000 | 0.021 | 1 | 8.255272505 | 23 | 12.34584737 |
| **United Bank for Africa Plc** | 2014 | 8 | 40,083,000,000 | 200,000,000 | 2,338,858,000,000 | 0.017 | 1 | 8.301029996 | 40 | 12.36900386 |
| **United Bank for Africa Plc** | 2015 | 8 | 47,642,000,000 | 290,000,000 | 2,216,337,000,000 | 0.021 | 1 | 8.462397998 | 26 | 12.3456358 |
| **United Bank for Africa Plc** | 2016 | 8 | 47,541,000,000 | 319,000,000 | 2,539,585,000,000 | 0.019 | 1 | 8.503790683 | 44 | 12.40476275 |
| **United Bank for Africa Plc** | 2017 | 8 | 42,438,000,000 | 321,000,000 | 2,931,826,000,000 | 0.014 | 1 | 8.506505032 | 31 | 12.46713819 |
| **United Bank for Africa Plc** | 2018 | 8 | 41,047,000,000 | 350,000,000 | 3,591,305,000,000 | 0.011 | 1 | 8.544068044 | 21 | 12.55525229 |
| **United Bank for Africa Plc** | 2019 | 8 | 62,750,000,000 | 360,000,000 | 4,136,493,000,000 | 0.015 | 1 | 8.556302501 | 38 | 12.61663229 |
| **United Bank for Africa Plc** | 2020 | 8 | 56,911,000,000 | 300,000,000 | 5,207,833,000,000 | 0.011 | 1 | 8.477121255 | 35 | 12.71665705 |
| **United Bank for Africa Plc** | 2021 | 8 | 58,669,000,000 | 320,000,000 | 5,574,976,000,000 | 0.011 | 1 | 8.505149978 | 33 | 12.746243 |
| **United Bank for Africa Plc** | 2022 | 8 | 133,696,000,000 | 352,000,000 | 7,361,044,000,000 | 0.018 | 1 | 8.546542663 | 46 | 12.86693941 |
| **STERLING Bank of Nigeria Plc** | 2013 | 9 | 8,274,864,000 | 180,000,000 | 707,797,181,000 | 0.012 | 1 | 8.255272505 | 28 | 11.84990883 |
| **STERLING Bank of Nigeria Plc** | 2014 | 9 | 9,004,973,000 | 198,500,000 | 824,539,426,000 | 0.011 | 1 | 8.297760511 | 42 | 11.91621143 |
| **STERLING Bank of Nigeria Plc** | 2015 | 9 | 10,292,577,000 | 198,500,000 | 779,451,417,000 | 0.013 | 1 | 8.297760511 | 49 | 11.89178905 |
| **STERLING Bank of Nigeria Plc** | 2016 | 9 | 5,180,964,000 | 198,500,000 | 830,802,224,000 | 0.006 | 1 | 8.297760511 | 36 | 11.91949765 |
| **STERLING Bank of Nigeria Plc** | 2017 | 9 | 8,455,000,000 | 215,000,000 | 1,068,798,000,000 | 0.008 | 1 | 8.33243846 | 37 | 12.02889563 |
| **STERLING Bank of Nigeria Plc** | 2018 | 9 | 9,468,000,000 | 215,000,000 | 1,085,876,000,000 | 0.009 | 1 | 8.33243846 | 24 | 12.03578023 |

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|---|---|---|---|---|---|---|---|---|---|---|
| **STERLING Bank of Nigeria Plc** | 2019 | 9 | 10,163,000,000 | 213,000,000 | 1,165,509,000,000 | 0.009 | 1 | 8.328379603 | 41 | 12.06651563 |
| **STERLING Bank of Nigeria Plc** | 2020 | 9 | 11,110,000,000 | 250,000,000 | 1,281,830,000,000 | 0.009 | 1 | 8.397940009 | 27 | 12.10783043 |
| **STERLING Bank of Nigeria Plc** | 2021 | 9 | 13,403,000,000 | 190,000,000 | 1,611,749,000,000 | 0.008 | 1 | 8.278753601 | 45 | 12.20729741 |
| **STERLING Bank of Nigeria Plc** | 2022 | 9 | 19,327,000,000 | 197,666,000 | 1,840,622,000,000 | 0.011 | 1 | 8.295931974 | 32 | 12.26496461 |
| **Ecobank** | 2013 | 10 | 156,050,000 | 205,332,000 | 22,396,330,000 | 0.007 | 1 | 8.312456637 | 29 | 10.35017686 |
| **Ecobank** | 2014 | 10 | 66,139,453,000 | 212,998,000 | 4,501,787,027,000 | 0.015 | 1 | 8.328375526 | 47 | 12.65338495 |
| **Ecobank** | 2015 | 10 | 22,097,003,000 | 205,000,000 | 4,694,296,060,000 | 0.005 | 1 | 8.311753861 | 22 | 12.67157048 |
| **Ecobank** | 2016 | 10 | 5,780,000,000 | 225,000,000 | 1,808,503,000,000 | 0.003 | 1 | 8.352182518 | 39 | 12.25731923 |
| **Ecobank** | 2017 | 10 | 227,583,000 | 51,028,000 | 22,431,604,000 | 0.010 | 1 | 7.707808547 | 25 | 10.35086033 |
| **Ecobank** | 2018 | 10 | 327,848,000 | 59,886,000 | 22,582,196,000 | 0.015 | 1 | 7.777325306 | 43 | 10.35376617 |
| **Ecobank** | 2019 | 10 | 270,214,000 | 67,379,000 | 23,641,184,000 | 0.011 | 1 | 7.828524561 | 30 | 10.37366922 |
| **Ecobank** | 2020 | 10 | 84,983,000 | 63,949,000 | 25,939,473,000 | 0.003 | 1 | 7.805833758 | 48 | 10.41396115 |
| **Ecobank** | 2021 | 10 | 355,711,000 | 54,282,000 | 27,561,793,000 | 0.013 | 1 | 7.734655841 | 45 | 10.44030747 |
| **Ecobank** | 2022 | 10 | 366,691,000 | 72,620,000 | 29,004,169,000 | 0.013 | 1 | 7.861056245 | 41 | 10.46246043 |

***Source:*** *Extracts from the published annual reports of the sampled banks*