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Comparative Analysis of Impact of Institutional and Government Ownership Structure on Performance of Nigerian Banks

Uzoma, Friday Christopher

Department Of Banking And Finance, Enugu State University Of Science And Technology, Enugu, Nigeria.
Email: Fridaychris90@gmail.Com

ABSTRACT

This study is a comparative analysis of the impact of institution owned and government owned Nigerian banks performance between 2004 to 2014. Panel data obtained from the published accounts of the banks under study were used for the research. Total deposits, and return on assets were used as dependent variables and independent variable were government and institutional ownership structure while board ownership structure was used as moderating variable. Panel Least Squares (PLS) analysis was used to test the hypotheses. The results show that government owned banks performed better than institutional owned banks with emphasis on total assets and return on assets. Based on the above findings, it is recommended that government ownership of banks is desirable in countries of low levels of per capita income productivity.

Keywords: Comparative, Analysis, institutional, government, ownership, structure.

INTRODUCTION

The ownership structure debate of firms has been an age-long one in finance and economics literature. The debate has been on the role ownership structure plays in firm's performance and growth, with two schools of thought presenting different views. While the first school of thought is of the view that ownership is of great importance to firm's performance, the other school says otherwise arguing that what matters most is not ownership but good and effective management structure. In this study, government ownership of banks includes banks where government has shares. The Nigerian government in this context includes the three tiers of government, namely local government, state government, and federal government. To further align this research work to the Nigerian context, government ownership also includes apparent cases of related ownership. Institutional ownership on the other hand is taken to mean where a clearly indentified body owns a certain percentage of the shareholding of its total share values. It could also represent the proportion of shares owned by institutions who pool large sums of money together and invest in securities, real property and other investment assets [1]. In Nigeria, until 1973, banks were categorized into three, according to their ownership. These categories included: the expatriate banks, the mixed banks and the indigenous banks. The expatriate or foreign banks are those wholly owned by foreign investors who were the first set of banks that dominated banking business in Nigeria. However, in 1972, Nigerian government came up with the Nigerian Enterprises Promotion Decree also known as Indigenization Decree which required that Nigerian citizens must own at least 40 percent of the shares of all companies operating in Nigeria [2]. The decree was later replaced by the Nigerian Enterprises Decree of 1977, which increased minimum ownership of companies to 60 percent. This according to [3], made Nigerians to become part of the ownership of the expatriate banks. But

recently, government has permitted foreign ownership again. Consequently, foreign investors have increased their rate of investment in the Nigerian banks but none of the banks in Nigeria currently has 100 percent foreign ownership. On the other hand, mixed banks are those banks owned partly by foreign investors and partly by Nigerians. With the renewed interest of foreign investors in Nigerian banking especially as part of the consolidation exercise of 2004, many Nigerian banks in a bid to increase their capital base have approached the foreign investors to take up substantial shares in the banking industry through private placement of shares. The indigenous banks on the other hand are those banks that are wholly owned by Nigerian citizens and /or governments. State government participation in banking business dates back to 1952 when two regional governments rescued the then three indigenous banks that were at the verge of closing shops: Agbonmagbe bank, now Wema bank and the then National bank were rescued by the then Western Regional Government while the then Eastern Regional Government rescued the then African Continental bank. This was the genesis of government participation in banking business and indeed ownership of banks in Nigeria. Federal government involvement in banking commenced in 1974 when it acquired 40% shares in the "Big Three" expatriate banks, the United bank for Africa (UBA), Barclays bank of Nigeria, now Union bank of Nigeria PLC and First bank of Nigeria. The Federal government shareholding in these three banks later extended to 60% in 1976 [4].

The paper aims at comparing the impact of institutional and government ownership structure of banks in Nigeria on their performance between 2004 to 2014 and the extent to which the development of one affects the other-whether they compliment the other, or otherwise.

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

Literature Review

[5], [6] maintain that ownership structure is a very important component of firm performance. [7] argues that the problems of banks in Nigeria at various times have been on the nature of their ownership, resulting to several changes both in form and structures of Nigerian banks. Aligning with these schools of thought, [8] posits that restriction on ownership of banks was as a result of fear of concentration of economic power, conflict of interest and stability of the financial sector. [9] posits that for effective performance and to achieve firm's objectives, the relationship between board and management of firms should be characterized by transparency to shareholders and fairness to other stakeholders. In furtherance to the debate, [10] is of the view that when performance is positive, the overall effect is to strengthen the investors' confidence in the corporation and the economy of the country. [11] posits that government ownership of banks has many perspectives from different groups of people which also affect their outcome or possible performance. In line with this argument, Barth, [12] shows that government ownership of banks impacts negatively on their performance. Supporting this argument, [13] posits that government ownership of Argentine banks is associated with poor performance. [14]; [15]; [16] argue that in other cases where private ownership concentration was not allowed, the banks were heavily interfered with and controlled by the government, evidently without any ownership shares. [17] found evidence that government banks are less efficient than their private counterparts. The problems with government banks according to [18] mainly represents a government failure as the bureaucrat managers are usually not given strong incentives to perform, since they operate under soft budget constraints and are subject to other pressures such as political influence or their own bureaucratic sectoral interest. It can hardly be expected that the government,

as both the owner/manager and regulator would be very serious about supervising state banks [19], [20]. Thus, demand for management performance, information disclosure and monitoring is inevitably weakened, resulting in corruption and inefficiencies. [21] posits that the problem of government ownership emanates from two schools of thought, namely government's interference in the appointment of incompetent personnel as a result of affirmation action and quota system (federal character principle) in Nigeria. This ultimately leads to compromising recruiting standards and gives forth to staff that are incompetent which invariably impacts negatively on the banks' overall performance. It is also believed that government agencies such as Nigeria Deposit Insurance Corporation (NDIC) Central Bank of Nigeria (CBN) are interested in ensuring stability, safety and soundness of banks but their actions sometimes prove otherwise. This is particularly the case when a bank's huge exposure to the government and its parastatals have not been properly addressed, leading to bank crisis such as happened in the year 1998.

On the other side of the divide, [22] posits that institutional shareholders have greater incentives to monitor corporate performance than scattered smaller groups. [23] posits that institutional investors help to resolve free rider problems commonly associated with corporations where shares are commonly held. Again that institutional investors help to monitor the operations of firms, given their relative high level of investments. [24] posits that to mitigate the conflict between owners and minority shareholders, the involvement of institutional investors' equity may improve corporate governance practices. Also in agreement to this position [25] argues that comparatively, institutional investors have additional capability of gathering and interpreting financial reports and detecting managerial opportunism over earning figures. [26] posits that it is more cost effective for institutions to invest, based on short – term performance instead of valuing long – term prospect of firms in their diversified portfolio due to the information asymmetry between managers and investors. Opinions are however divided in their specific roles in improving reporting quality with specific regard to capital market. The speculation argument is that institutional investors act as "tenders" rather than "owners".

Data and Method

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

Empirical Model Specification

The study sought to have comparative analyses of the impact of institutional and government ownerships on performance of Nigerian banks with focus on their performance indicators of return on assets (ROA) and total deposits (TD). Government and institutional ownership structures represent the independent variables while total deposits and return on assets are dependent variables. Board ownership structure is the moderating variable. The relationship is functionally captured thus:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + e_{it} \quad \text{Eq (1)}$$

β_1 and β_2 are the coefficients to the variables X_{1it} and X_{2it} respectively.

Lastly, e_{it} is the error term.

Techniques of Data Analysis

Annualized Panel data for eleven-year period 2004-2014 were collated from the annual reports of 17 banks out of 21 banks which show about 81%. Also the Panel Least Square version of the econometric model of Ordinary Least Squares as adopted by [27] was used to test the hypotheses. Descriptive statistics and other diagnostic tests on

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

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

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

RESULTS

This section was done to point out the descriptive statistics and other properties of the series. This among other things helped to justify the choice of the estimation method used in this study. Table 1 captures the yearly observations for the banks performance index 2004-2014.

Table 1 Yearly Observations for Banks Performance Index 2004-2014

Banks	Year	TD	TA	ROA	GO	BO	IO
Access	2004	22724.00	31342.00	4.7	1.00	9.95	6.70
Access	2005	52846.00	66918.00	2.5	1.00	9.95	6.70
Access	2006	145660.0	174553.0	2.2	1.00	9.95	6.70
Access	2007	300230.0	328615.0	2.3	1.00	9.95	6.70
Access	2008	873708.0	1045568.	2.3	1.00	9.95	6.70
Access	2009	525138.0	710326.0	2.4	1.00	9.95	6.70
Access	2010	485000.0	796000.0	0.9	1.00	9.95	6.70
Access	2011	1102000.	1629000.	1.2	1.00	9.95	6.70
Access	2012	1201000.	1745000.	2.3	1.00	9.95	6.70
Access	2013	1331000.	1835000.	2.0	1.00	9.95	6.70
Access	2014	1454000.	2104000.	1.3	1.00	9.95	6.70
Citi	2004	53874.00	66247.00	4.9	1.00	2.74	15.36
Citi	2005	58859.00	86979.00	4.1	1.00	2.74	15.36
Citi	2006	78459.00	112272.0	7.8	1.00	2.74	15.36
Citi	2007	100847.0	135879.0	5.6	1.00	2.74	15.36
Citi	2008	119833.0	157527.0	5.8	1.00	2.74	15.36
Citi	2009	139405.0	181866.0	2.4	1.00	2.74	15.36
Citi	2010	217175.0	258912.0	0.6	1.00	2.74	15.36
Citi	2011	327614.0	367136.0	0.6	1.00	2.74	15.36
Citi	2012	284114.0	323586.0	0.4	1.00	2.74	15.36
Citi	2013	290061.0	340321.0	0.7	1.00	2.74	15.36
Citi	2014	269112.0	360669.0	0.4	1.00	2.74	15.36
Diamond	2004	43391.00	69062.00	0.4	1.00	15.70	14.80
Diamond	2005	110505.0	131341.0	2.1	1.00	16.00	15.00
Diamond	2006	192629.0	227833.0	3.5	1.00	15.70	14.80
Diamond	2007	267696.0	320950.0	2.1	1.00	15.70	14.80
Diamond	2008	508414.0	625670.0	3.0	1.00	16.00	15.00
Diamond	2009	493642.0	650757.0	0.8	1.00	15.70	14.80
Diamond	2010	431521.0	548402.0	0.2	1.00	15.70	14.80
Diamond	2011	630443.0	722965.0	1.2	1.00	15.70	14.80
Diamond	2012	951820.0	1059137.	1.1	1.00	15.70	14.80

Diamond	2013	1105331.	1234648.	1.1	1.00	15.70	14.80
Diamond	2014	1493000.	1933000.	1.5	1.00	16.00	15.00
Eco	2004	33229.00	37642.00	2.8	1.00	0.48	1.00
Eco	2005	41890.00	67653.00	3.2	1.00	0.48	1.00
Eco	2006	102770.0	132092.0	3.7	1.00	0.48	1.00
Eco	2007	276574.0	311396.0	3.4	1.00	0.48	1.00
Eco	2008	400710.0	432466.0	3.4	1.00	0.48	1.00
Eco	2009	7770958.	9006523.	3.5	1.00	0.48	1.00
Eco	2010	9174261.	10466871	1.0	1.00	0.48	1.00
Eco	2011	2622281.	2744870.	1.1	1.00	0.48	1.00
Eco	2012	2774810.	3114132.	1.1	1.00	0.48	1.00
Eco	2013	3268648.	3698136.	1.1	1.00	0.48	1.00
Eco	2014	1571846.	17729222	1.6	1.00	0.48	1.00
Fidelity	2004	19340.00	27552.00	1.3	1.00	9.30	1.00
Fidelity	2005	23640.00	34953.00	4.1	1.00	9.30	1.00
Fidelity	2006	94126.00	119986.0	4.1	1.00	9.30	1.00
Fidelity	2007	187818.0	218332.0	2.8	1.00	9.30	1.00
Fidelity	2008	398270.0	535480.0	3.5	1.00	9.30	1.00
Fidelity	2009	376561.0	506267.0	0.3	1.00	9.30	1.00
Fidelity	2010	343574.0	478020.0	1.4	1.00	9.30	1.00
Fidelity	2011	603158.0	739508.0	0.9	1.00	9.30	1.00
Fidelity	2012	752905.0	914360.0	2.6	1.00	9.30	1.00
Fidelity	2013	917762.0	1081.217	1.1	1.00	9.30	1.00
Fidelity	2014	1892651.	3135003.	1.3	1.00	9.30	1.00
First Bank	2004	207181.0	312490.0	2.2	1.00	4.66	1.00
First Bank	2005	421034.0	470839.0	3.1	1.00	4.66	1.00
First Bank	2006	552547.0	614840.0	3.1	1.00	4.66	1.00
First Bank	2007	827800.0	911427.0	2.7	1.00	4.66	1.00
First Bank	2008	1176380.	1528234.	3.0	1.00	4.66	1.00
First Bank	2009	1672509.	1771456.	0.7	1.00	4.66	1.00
First Bank	2010	2037209.	1957258.	1.4	1.00	4.66	1.00
First Bank	2011	2471438.	1103229.	2.0	1.00	4.66	1.00
First Bank	2012	2770674.	1253177.	2.5	1.00	4.66	1.00
First Bank	2013	3246577.	3364227.	2.0	1.00	4.66	1.00
First Bank	2014	9590000.	3668618.	2.2	1.00	4.66	1.00
FCMB	2004	18019.00	23736.00	1.7	1.00	5.13	12.86
FCMB	2005	44060.00	51318.00	2.1	1.00	5.13	12.86
FCMB	2006	81691.00	106368.0	2.6	1.00	5.13	12.86
FCMB	2007	235231.0	262535.0	3.5	1.00	5.13	12.86
FCMB	2008	333686.0	467337.0	4.1	1.00	5.13	12.86
FCMB	2009	386546.0	515602.0	0.8	1.00	5.13	12.86
FCMB	2010	395437.0	530073.0	1.6	1.00	5.13	12.86
FCMB	2011	475900.0	593273.0	-1.7	1.00	5.13	12.86
FCMB	2012	776530.0	890313.0	1.3	1.00	5.13	12.86
FCMB	2013	864573.0	1008280.	4.6	1.00	5.13	12.86
FCMB	2014	1008999.	1169364.	4.1	1.00	5.13	12.86
Guaranty	2004	74222.00	119698.0	4.9	1.00	7.14	10.91

Guaranty	2005	151178.0	185151.0	3.4	1.00	7.14	10.91
Guaranty	2006	271852.0	308411.0	3.5	1.00	7.14	10.91
Guaranty	2007	436505.0	486491.0	3.3	1.00	7.14	10.91
Guaranty	2008	572349.0	735693.0	4.2	1.00	7.14	10.91
Guaranty	2009	780688.0	962722.0	2.3	1.00	7.14	10.91
Guaranty	2010	866858.0	1083304.	3.4	1.00	7.14	10.91
Guaranty	2011	1289347.	1523527.	3.8	1.00	7.14	10.91
Guaranty	2012	1333777.	1620317.	1.6	1.00	7.14	10.91
Guaranty	2013	1574719.	1904365.	5.6	1.00	7.14	10.91
Guaranty	2014	1757077.	2126608.	5.0	1.00	7.14	10.91
Skye	2004	23045.00	25997.00	2.6	12.36	1.00	7.51
Skye	2005	27545.00	31990.00	1.6	12.36	2.00	7.51
Skye	2006	148110.0	174193.0	2.3	12.36	3.00	7.51
Skye	2007	416673.0	447992.0	1.8	12.36	4.00	7.51
Skye	2008	693919.0	790708.0	2.6	12.36	5.00	7.51
Skye	2009	542081.0	632511.0	1.2	12.36	6.00	7.51
Skye	2010	594006.0	705859.0	1.2	12.36	7.00	7.51
Skye	2011	777245.0	876527.0	1.2	12.36	8.00	7.51
Skye	2012	966934.0	1071311.	1.1	12.36	9.00	7.51
Skye	2013	992558.0	1080820.	1.5	12.36	10.00	7.51
Skye	2014	995236.0	1107868.	4.2	12.36	11.00	7.51
Stanbic	2004	23775.00	31612.00	5.7	1.00	12.00	1.00
Stanbic	2005	23289.00	39151.00	9.3	1.00	13.00	1.00
Stanbic	2006	80396.00	113226.0	7.4	1.00	14.00	1.00
Stanbic	2007	109911.0	151290.0	5.9	1.00	15.00	1.00
Stanbic	2008	269877.0	315107.0	4.1	1.00	16.00	1.00
Stanbic	2009	253441.0	351253.0	3.1	1.00	17.00	1.00
Stanbic	2010	300240.0	387218.0	3.7	1.00	18.00	1.00
Stanbic	2011	472729.0	554507.0	2.5	1.00	19.00	1.00
Stanbic	2012	554171.0	676819.0	1.9	1.00	20.00	1.00
Stanbic	2013	665412.0	763046.0	1.5	1.00	21.00	1.00
Stanbic	2014	830267.0	944542.0	4.0	1.00	22.00	1.00
Standard Ch	2004	29764.00	34724.00	5.1	1.00	23.00	1.00
Standard Ch	2005	41883.00	68536.00	6.3	1.00	24.00	1.00
Standard Ch	2006	56781.00	89140.00	9.0	1.00	25.00	1.00
Standard Ch	2007	97211.00	130450.0	7.9	1.00	26.00	1.00
Standard Ch	2008	124950.0	160279.0	7.8	1.00	27.00	1.00
Standard Ch	2009	88176.00	205640.0	6.1	1.00	28.00	1.00
Standard Ch	2010	185259.0	259579.0	5.9	1.00	29.00	1.00
Standard Ch	2011	261613.0	309266.0	5.1	1.00	30.00	1.00
Standard Ch	2012	359448.0	434056.0	5.0	1.00	31.00	1.00
Standard Ch	2013	4736276.	5470470.	2.5	1.00	32.00	1.00
Standard Ch	2014	5907727.	6597079.	1.3	1.00	33.00	1.00
Sterling	2004	16955.00	22585.00	2.7	1.00	34.00	18.39
Sterling	2005	18607.00	21342.00	-2.2	2.00	35.00	18.39
Sterling	2006	87113.00	131297.0	-0.5	3.00	36.00	18.39
Sterling	2007	128509.0	16736.00	1.4	4.00	37.00	18.39
Sterling	2008	218406.0	249847.0	2.7	5.00	38.00	18.39
Sterling	2009	183498.0	221000.0	-4.2	6.00	39.00	18.39

Sterling	2010	233.2590	277000.0	1.9	7.00	40.00	18.39
Sterling	2011	463474.0	504427.0	1.5	8.00	41.00	18.39
Sterling	2012	533584.0	580226.0	1.4	9.00	42.00	18.39
Sterling	2013	644339.0	707797.0	1.4	10.00	43.00	18.39
Sterling	2014	772468.0	824539.0	1.4	11.00	44.00	18.39
UBA	2004	195991.0	212024.0	2.9	12.00	9.50	13.90
UBA	2005	234840.0	250419.0	2.8	13.00	9.50	13.90
UBA	2006	842170.0	884137.0	1.5	14.00	9.50	13.90
UBA	2007	1022964.	1191042.	2.8	15.00	9.50	13.90
UBA	2008	1478129.	1672990.	3.3	16.00	9.50	13.90
UBA	2009	1213160.	1400879.	0.3	17.00	9.50	13.90
UBA	2010	1244902.	1432632.	0.2	18.00	9.50	13.90
UBA	2011	1483738.	1666053.	0.4	19.00	9.50	13.90
UBA	2012	1712748.	1933065.	2.4	20.00	9.50	13.90
UBA	2013	1957879.	NA	2.0	21.00	9.50	13.90
UBA	2014	2056925.	NA	1.8	22.00	9.50	13.90
Union	2004	241585.0	367798.0	3.0	20.00	0.95	1.00
Union	2005	200511.0	398271.0	2.7	20.00	0.95	2.00
Union	2006	275457.0	517564.0	2.2	20.00	0.95	3.00
Union	2007	417406.0	619800.0	2.4	20.00	0.95	4.00
Union	2008	649337.0	907074.0	3.6	20.00	0.95	5.00
Union	2009	1175140.	921230.0	-5.8	20.00	0.95	6.00
Union	2010	981125.0	845231.0	-4.2	20.00	0.95	7.00
Union	2011	664203.0	843763.0	2.9	20.00	0.95	8.00
Union	2012	714797.0	886468.0	3.8	20.00	0.95	9.00
Union	2013	803400.0	1002800.	4.7	20.00	0.95	10.00
Union	2014	786900.0	1009100.	2.5	20.00	0.95	11.00
Unity	2004	554.0000	25702.00	5.1	10.00	0.29	24.29
Unity	2005	459.0000	33179.00	4.7	10.00	0.29	24.29
Unity	2006	100263.0	131003.0	2.3	10.00	0.29	24.29
Unity	2007	171194.0	203234.0	0.4	10.00	0.29	24.29
Unity	2008	345286.0	365861.0	-3.6	10.00	0.29	24.29
Unity	2009	247991.0	257936.0	-8.2	10.00	0.29	24.29
Unity	2010	260842.0	304044.0	4.8	10.00	0.29	24.29
Unity	2011	329105.0	372926.0	0.9	10.00	0.29	24.29
Unity	2012	344262.0	395702.0	4.3	10.00	0.29	24.29
Unity	2013	337041.0	403629.0	1.1	10.00	0.29	24.29
Unity	2014	357416.0	413305.0	4.0	10.00	0.29	24.29
Wema	2004	55072.00	71424.00	4.3	10.00	30.00	1.00
Wema	2005	61285.00	97909.00	2.7	10.00	30.00	2.00
Wema	2006	85605.00	120109.0	1.2	10.00	30.00	3.00
Wema	2007	125476.0	165082.0	1.8	10.00	30.00	4.00
Wema	2008	NA	NA	1.8	10.00	30.00	5.00
Wema	2009	188284.0	142785.0	-5.8	10.00	30.00	6.00
Wema	2010	188307.0	203144.0	7.1	10.00	30.00	7.00
Wema	2011	214888.0	222238.0	-1.9	10.00	30.00	8.00
Wema	2012	244426.0	245704.0	1.0	10.00	30.00	9.00
Wema	2013	289477.0	330872.0	1.1	10.00	30.00	10.00
Wema	2014	338793.0	382562.0	1.0	10.00	30.00	11.00

Zenith	2004	175255.0	193321.0	3.3	1.00	6.60	23.00
Zenith	2005	287534.0	329717.0	3.5	1.00	6.60	23.00
Zenith	2006	518499.0	619341.0	3.3	1.00	6.60	23.00
Zenith	2007	856509.0	972822.0	3.2	1.00	6.60	23.00
Zenith	2008	1441214.	1787832.	3.2	1.00	6.60	23.00
Zenith	2009	1243152.	1578912.	1.7	1.00	6.60	23.00
Zenith	2010	1441770.	1798679.	2.8	1.00	6.60	23.00
Zenith	2011	1797056.	2169073.	2.9	1.00	6.60	23.00
Zenith	2012	1998883.	2436886.	3.9	1.00	6.60	23.00
Zenith	2013	2406071.	2878693.	3.2	1.00	6.60	23.00
Zenith	2014	3202626.	3755264.	2.9	1.00	6.60	23.00

Table 2 Basic Descriptive Statistics of the Level Series Data

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

Source: Author's Computation (2019)

The descriptive statistics in table 2 shows the basic aggregative averages like mean, median and mode for all the observations. The spread and variations in the series are also indicated using standard deviation. Significantly, Kurtosis which shows the degree of peakedness is also shown together with Skewness which is a reflection of the degree of or departure from symmetry of the given series. From the above table, the Jacque Bera Statistics which is a test for normality (a combined test of skewness and kurtosis) shows that all the distributions are not normally distributed.

Table 3: Correlation Matrices of the Variables

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

Source: Author's Computation (2019)

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

Total 4. Panel (balanced) observations: 185 Return on Assets

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.401165	0.342571	9.928342	0.0000
BO	-0.006690	0.015022	-0.445382	0.6566
GO	0.080243	0.026596	-3.017168	0.0029
I0	-0.049225	0.021848	-2.253097	0.0254

R-squared	0.682092	Mean dependent var	2.440642
Adjusted R-squared	0.667044	S.D. dependent var	2.337551
S.E. of regression	2.257832	Akaike info criterion	4.487846
Sum squared resid	932.8987	Schwarz criterion	4.556960
Log likelihood	-415.6136	Hannan-Quinn criter.	4.515851
F-statistic	5.455443	Durbin-Watson stat	1.695545
Prob(F-statistic)	0.001295		

Source: Author's Computation (2019)

From Table 5 above, BO is used as the moderating variable. Government ownership and Institutional ownership of banks represented by (GO and IO), were used as the explanatory variables; and Return on Assets (ROA) and Total Deposits (TD) served as the Dependent variables. While IO showed a negative and significant impact on the Return on Assets of Nigerian banks, GO showed positive and significant impact on the dependent variable. This is indicated by their respective t-values and associated p-values.

The R^2 which is a show of goodness of the fit of the model is 68%, which means that 68% of variation in ROA is explained by the regressors and about 32% of the relationship is explained by factors not captured by the model. The adjusted R^2 of about 66% takes account of more numbers of regressors if included and it still explains 66% variation in the dependent variable, [28]. The F-statistic (5.455443, p value 0.01295) which is a test for the significance of the overall regression also shows that the regression is significant and can be used for meaningful analyses. The Durbin Watson statistic which is a test for autocorrelation is also good though autocorrelation is not much of a problem in panel data. It is approximately 2, hence, there is no suspicion of autocorrelation.

Table 5: Panel Least Squares Result for Hypothesis Three
Dependent Variable: TD
Source: Author's computation (2019)
Total panel (unbalanced) observations: 186

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

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

From Table 6 above, BO is used as the moderating variable. Government ownership and Institutional ownership of banks represented by (GO and IO), were used as independent variables, return on assets (ROA) and Total deposits (TD) served as the dependent variables. While IO showed a negative and significant impact on total assets of Nigerian banks, GO showed positive and significant impact on the dependent variable

The R2 which is a show of goodness of the fit of the model is 74%, which means that 74% of variation in TD is explained by the regressors and about 26% of the relationship is explained by the factors not captured by the model. The adjusted R2 of about 73% takes account of more numbers of regressors if included and still explained 73% variation in the dependent valiables [29]. The F-statistic (3.174568, 0.025462) which is a test for the significance of the overall regression also shows that the regression is significant and can be used for meaningful analyses. The Durbin Watson statistic which is a test for autocorrelation is also good though autocorrelation is not much of a problem in panel data. It is approximately equal to 2; hence, there is no suspicion of autocorrelation.

CONCLUSION

This study set out to have comparative analyses of the impact institutional and government ownerships have on the performance of Nigerian banks using return on assets and total deposits as performance indicators. It has the design of adding to bank – performance debate base on their ownership structure that has developed several theories and postulations over time. An attempt to

contribute to these streams of arguments motivated this work, which has a grand design of establishing a logical argument on this topical issue of bank performance base on their ownership structure.

Specifically, the study attempts to compare the impact of institutional and government owned Nigerian banks on their return on assets and total deposits.

Empirical evidences emanating from this study show that institutional owned Nigerian banks show negative and significant impact on both total deposits and return on assets. On the contrary, government owned Nigerian banks showed positive and significant impact on total deposits and return on assets. The results clearly show that government owned Nigerian banks performed better than institutional owned Nigerian banks with emphasis on return on assets and total deposits. Evidently, pride of ownership unarguably might have motivated and hence contributed to their performance. These are at variance to the theories propounded by the political and developmental theorists that government ownership of banks increases the chances of allocating credits to long – term, socially desirable projects that otherwise may not get private funding purely on their economic value and also that government ownership of banks creates an avenue of promoting and propagating political patronage that adversely affects performance. As laudable as these arguments may sound, those researches were conducted in developed countries, not developing and emerging economies like Nigeria where governments were un willing to let any bank fail, no matter the banks financial condition.

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