Moderation Effect of Corporate Governance on Effect of Company Attribute on Value of Listed Deposit Money Banks in Nigeria

Erekosima, Tamunotonte, Heonkhan Iyere Samuel, Solomon, M. Aza
Nasarawa State University, Keffi. Nigeria

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Abstract
This study examined the moderating effect of corporate governance on the relationship between company attributes and the value of listed deposit money banks in Nigeria from 2016 to 2025. Specifically, it assessed company size, financial leverage and profitability, with corporate governance as the moderator and Tobin's Q as the measure of firm value. The study adopted an ex post facto research design using a balanced panel of 12 banks comprising 120 bank-year observations. Data were analysed using descriptive statistics, correlation analysis and panel regression. The reported baseline results showed that company size and profitability had positive and statistically significant effect on firm value, while financial leverage had a negative but statistically insignificant effect on firm value. The Hausman test supported the selection of the fixed-effects estimator for the moderation model. The reported moderation results indicated that corporate governance positively and significantly moderated the relationships between company size and firm value and between profitability and firm value. However, the interaction between financial leverage and corporate governance was negative and statistically insignificant at the 5% level. The study provisionally concluded that stronger corporate governance strengthened the positive valuation relationships associated with company size and profitability. It recommended strengthening board oversight of asset expansion, earnings quality and profit allocation, while assessing financing decisions according to banks' funding requirements and risk capacity.

Keywords: *Corporate governance, company size, financial leverage, profitability, firm value, deposit money banks.*

1.0 Introduction

Firm value is a central concern in corporate finance because it reflects investors' assessment of an organisation's prospects and capacity to generate future benefits. Enhancing firm value remains an important management objective because it supports shareholder wealth and attracts investment (Darmawan & Umaimah, 2025). Investors' valuation of companies is influenced by financial characteristics and governance arrangements, making the relationship between company attributes and firm value relevant across different economic settings (Daniya et al., 2024; Darmawan & Umaimah, 2025). Despite this importance, banks can experience substantial financial distress when weaknesses in their financial condition and governance undermine their operations. Correia et al. (2025) identified deteriorating bank fundamentals as a central explanation for bank failures, while Appiah et al. (2023) demonstrated how violations of governance principles and the neglect of warning signals contributed to the collapse of a listed Ghanaian bank. These findings highlight

the importance of sound financial management and effective governance in preserving bank value and organisational survival. Company attributes provide a basis for explaining differences in firm value. These attributes represent financial and organisational characteristics that influence operating capacity, financing decisions and earnings generation. Company size is one of the company attributes that could affect the value. Larger banks may benefit from economies of scale, wider service networks, diversified income sources and greater capacity to invest in technology and skilled personnel. These advantages could improve competitiveness and strengthen investors' expectations of future earnings, thereby enhancing firm value (Daniya et al. 2024)

Financial leverage could also affect the value. Liability financing can support investment in earning assets and increase returns to shareholders when the income generated exceeds the associated funding costs. However, excessive leverage may amplify losses, weaken financial resilience and increase the risk of financial distress, potentially destroying shareholders' value (Jeroh 2020). Profitability could affect the value. Higher profitability may strengthen retained earnings, support dividend payments and improve investors' expectations of future returns, thereby enhancing firm value (Ifada et al. 2019). Corporate governance could strengthen the relationship between company attributes and firm value by promoting effective oversight, accountability and prudent management decisions., Effective governance may help ensure that a larger asset base supports productive investment, financial leverage remains consistent with the bank's risk-bearing capacity, and profitability contributes to sustainable shareholders' wealth (Darmawan & Umaimah 2025). Previous studies have examined company attributes in relation to firm value, financial performance and shareholders' wealth, primarily within Nigeria's consumer goods, manufacturing and industrial goods sectors (Ayobami & Musa, 2025; Daniya et al., 2024; Dauda et al., 2024; Deshi et al., 2025; Eneh et al., 2024; Nkasi & Philemon, 2025; Okoba & Chukwu, 2025). Their sectoral focus limits the direct application of their evidence to deposit money banks, whose financing structures, deposit-taking activities and regulatory environment differ from those of non-financial firms. Furthermore, studies centred on profitability and financial performance address accounting outcomes rather than market valuation, leaving questions about how company attributes influence investors' assessment of firm value (Eneh et al., 2024; Lubis et al., 2025; Nkasi & Philemon, 2025; Okoba & Chukwu, 2025). Related research in the property sector has considered profitability, leverage, company size and growth opportunities, including size and growth capacity as moderating variables (Kusnanto & Qalbia, 2024; Qurrotu'ainii et al., 2025). However, the scope of these studies does not directly establish whether corporate governance changes the relationship between company size, financial leverage, profitability and firm value of listed deposit money banks in Nigeria. This study therefore addresses a sectoral and moderation gap by examining whether corporate governance strengthens or weakens these relationships, with firm value. The objective of this study is to examine the moderating effect of corporate governance on the relationship between company size, financial leverage, profitability and firm value of listed deposit money banks in Nigeria.

2. 0 Literature Review

2.1 Conceptual Review

2.1.1 Firm Value

Firm value represents the market's assessment of a company's capacity to generate future economic benefits, taking account of the risks associated with those benefits. It reflects investors' expectations regarding earnings, growth opportunities, resource utilisation and managerial

effectiveness (Daniya et al., 2024; Kusnanto & Qalbia, 2024). Firm value differs from accounting profitability because profitability describes earnings generated during a particular period, whereas market valuation incorporates expectations about future performance. Accordingly, profitability is examined as a potential determinant of firm value rather than an equivalent concept (Ifada et al., 2019; Kusnanto & Qalbia, 2024). Scholars employ different measures of firm value, including share price, Tobin's Q and the market-to-book ratio. These measures capture related but distinct aspects of valuation. Jeroh (2020) demonstrated the relevance of this distinction by reporting that selected corporate financial attributes jointly influenced share price and Tobin's Q, while their joint relationship with the price-to-book ratio was insignificant among listed Nigerian financial service firms. Daniya et al. (2024) also employed Tobin's Q and market value of equity in examining corporate attributes and firm value. In the present study, firm value is operationalised using an approximation of Tobin's Q, calculated as the market value of equity plus the book value of total liabilities, divided by the book value of total assets.

2.1.2 Company Attributes

Company attributes refer to the financial and organisational characteristics that distinguish companies and influence their operations, financing decisions and capacity to generate economic benefits. These characteristics provide information that investors may use when assessing financial strength, growth prospects and risk exposure. In the context of this study, company attributes comprise company size, financial leverage and profitability. These variables capture the scale of resources controlled by a bank, its reliance on liability financing and its ability to generate earnings from assets.

2.1.2.1 Company Size

Company size describes the scale of a company's operations and resource base. It can be represented by total assets, revenue or market capitalisation, depending on the purpose of the analysis. A larger asset base may enable a bank to expand its service network, invest in technology, employ specialised personnel and diversify its earning activities. These capabilities could improve competitiveness and strengthen expectations of future returns. Supporting the potential valuation benefits of size, Daniya et al. (2024) reported a significant positive effect of company size on the value of listed Nigerian manufacturing firms. However, this evidence provides a basis for further investigation rather than establishing that the same relationship necessarily applies to deposit money banks.

2.1.2.2 Financial Leverage

Financial leverage refers to the extent to which a company finances its assets through liabilities. It indicates the relationship between liability financing and the resources controlled by the company. In banking, its interpretation requires attention to the composition of liabilities because customer deposits form part of the funding used for financial intermediation. Therefore, a liability-based leverage measure captures a broader financing structure than interest-bearing corporate borrowing alone. Financial leverage may enhance firm value where funds are invested in assets that generate returns exceeding their associated funding costs. Nevertheless, greater reliance on liabilities can amplify losses and reduce the equity cushion available to absorb adverse outcomes. Evidence from Nigerian financial service firms illustrate these competing valuation implications. Jeroh (2020) reported that leverage was positively correlated with Tobin's Q but negatively correlated with share

price and the price-to-book ratio. In this study, financial leverage represents the proportion of a bank's total assets financed through total liabilities. Corporate governance is proposed to moderate its relationship with firm value through oversight of funding decisions, asset deployment and risk exposure.

2.1.2.3 Profitability

Profitability refers to a company's ability to generate earnings from its operations and available resources. It reflects the financial outcome of decisions relating to revenue generation, cost control and asset utilisation. For deposit money banks, profitability provides information about the extent to which their activities generate earnings after the relevant expenses and taxes. Profitability may contribute to firm value by supporting retained earnings, dividend capacity and expectations of future returns. Ifada et al. (2019) found that profitability positively influenced firm value among companies listed on the Jakarta Islamic Index. Kusnanto and Qalbia (2024) similarly reported that profitability significantly influenced the value of Indonesian property companies. These findings support examining profitability as a potential determinant of market valuation, although their sectoral settings differ from Nigerian banking Within Nigeria, Jeroh (2020) reported positive correlations between return on assets and the three firm-value measures examined among listed financial service firms.

2.1.3 Corporate Governance

Corporate governance refers to the structures, processes and mechanisms through which companies are directed, monitored and held accountable. It concerns the allocation of responsibilities among shareholders, boards and management, as well as the oversight of decisions affecting corporate resources. Governance mechanisms include board composition, director independence, committee oversight and monitoring arrangements. Recent scholarly evidence indicates that governance mechanisms may differ in their implications for firm value. Darmawan and Umaimah (2025) found that the board of directors significantly enhanced firm value in their Indonesian coal-mining sample, while independent commissioners and audit committees were less effective. Their findings suggest that the presence of formal governance structures should be distinguished from their practical effectiveness In this study, corporate governance represents the oversight arrangements that may influence how company size, financial leverage and profitability relate to the value of listed deposit money banks in Nigeria. Effective governance could support productive asset deployment, prudent financing and sustainable earnings allocation. These relationships remain propositions to be tested rather than assumed effects.

Emprical Review

Jeroh (2020) examined corporate financial attributes and the value of listed financial service firms in Nigeria. The study used secondary data from 32 firms over 2010–2018 and employed descriptive statistics, diagnostic tests and multivariate regression analysis. The explanatory variables included return on assets, revenue growth, earnings per share, leverage, company size and asset tangibility, while firm value was represented by share price, Tobin's Q and the price-to-book ratio. The findings indicated that the attributes jointly influenced share price and Tobin's Q, whereas their joint relationship with the price-to-book ratio was statistically insignificant. The study demonstrates that conclusions about company attributes depend partly on the valuation measure employed. However, its coverage of the broader financial services sector does not isolate

deposit money banks or establish whether corporate governance moderates the relationships examined. Daniya et al. (2024) investigated corporate attributes and the value of listed manufacturing firms in Nigeria through a comparative analysis of consumer and industrial goods companies. The study covered 24 firms over 2009–2022 and obtained secondary data from annual reports and accounts. Company attributes comprised company size, leverage, institutional ownership, multinationality and research and development, while firm value was measured using Tobin's Q and market value of equity. Regression results indicated that company size, multinationality and research and development had significant positive effects on firm value. The study supports the relevance of organisational resources and characteristics to valuation. Nevertheless, its manufacturing-sector focus limits direct application to banks, and it does not resolve the proposed moderating role of corporate governance.

Kusnanto and Qalbia (2024) examined the influence of profitability, company size and growth opportunities on the value of Indonesian property companies listed on the Indonesia Stock Exchange over 2016–2022. The study employed regression analysis and reported that profitability significantly influenced firm value. The explanatory variables also jointly exerted a significant influence on value. These findings support examining company attributes together rather than treating profitability as the sole explanation of market valuation. However, differences between property companies and deposit money banks limit the transferability of the evidence. Furthermore, the study does not directly establish whether corporate governance conditions the relationships involving company size, financial leverage and profitability.

Ifada et al. (2019) investigated company attributes and firm value using a sample of 56 companies listed on the Jakarta Islamic Index. The study employed SmartPLS and examined relationships involving profitability, liquidity, ownership concentration, capital structure and firm value. The findings indicated that profitability and ownership concentration positively influenced firm value. Capital structure also mediated relationships involving profitability, liquidity and value. The study provides evidence that financial characteristics may influence valuation through interconnected relationships. However, mediation concerns the pathway through which an effect operates, whereas the present study examines whether corporate governance changes the strength or direction of the relationship between company attributes and firm value. Its market setting also differs from Nigerian banking. Darmawan and Umaimah (2025) examined the effect of corporate governance and earnings management on firm value among Indonesian coal-mining companies over 2019–2023. The study analysed 155 observations and measured firm value using the price-to-book ratio. Governance mechanisms included the board of directors, independent commissioners and audit committees, while earnings management was represented using the Jones model. The findings showed that the board of directors significantly enhanced firm value, while independent commissioners and audit committees were less effective. Earnings management negatively influenced firm value. These results demonstrate that governance mechanisms should not be assumed to have identical valuation effects. However, the study examined direct relationships in the mining sector rather than corporate governance as a moderator of company attributes within Nigerian deposit money banks. Gymnastiar et al. (2026) examined the moderating role of corporate governance attributes in the relationship between dividend policy and firm value among Indonesian manufacturing companies. The study employed panel regression analysis using 45 companies in the primary consumer goods sector over 2019–2023. Governance attributes comprised board independence, board meeting frequency, board busyness and board size. Dividend policy had no significant direct effect on firm value. However, board independence

and board size strengthened its relationship with value, board busyness weakened it, and board meeting frequency had no moderating effect. The findings provide evidence that governance arrangements can condition the valuation implications of financial decisions. Nevertheless, the study focused on dividend policy and individual governance attributes, leaving the present study's combination of company size, financial leverage, profitability and a corporate governance index unresolved

2.3 Theoretical Framework

2.3.1 Agency Theory

Agency Theory, particularly the formulation of Jensen and Meckling (1976), explains conflicts arising when shareholders delegate decision-making authority to managers whose interests may differ from their own. Managers may possess superior information about company operations and pursue personal objectives at shareholders' expense. These conflicts generate agency costs, including monitoring expenditure, bonding expenditure and residual losses (Jensen & Meckling, 1976). The theory is relevant to the relationship between company attributes and firm value. A larger asset base may provide opportunities for productive investment, but managers may also pursue expansion that increases their influence without generating adequate returns. Similarly, financial leverage may support earning activities while exposing shareholders to greater losses if financing decisions are poorly controlled. Profitability may provide resources for dividends and reinvestment, but its contribution to value depends partly on how management allocates those earnings. Corporate governance provides mechanisms for monitoring managerial conduct and promoting accountability. Effective board oversight may improve scrutiny of asset expansion, financing decisions and profit allocation. Nevertheless, governance mechanisms may differ in their effectiveness. Darmawan and Umaimah (2025) found that the board of directors positively influenced firm value, while independent commissioners and audit committees were less effective in their sample.

2.3.2 Signalling Theory

Signalling Theory explains how informed parties communicate information to parties with less information. Its application to corporate finance includes Ross's (1977) incentive-signalling explanation of financial structure, which demonstrates how financing choices may convey information about company prospects under information asymmetry. The theory is relevant because investors cannot directly observe every aspect of a bank's operations, asset quality or future earnings capacity. They therefore interpret publicly available financial information when assessing value. Company size may indicate operating capacity, financial leverage may communicate information about funding decisions and financial exposure, while profitability may inform expectations about future returns. Corporate governance may influence the credibility investors attach to financial information and managerial decisions. Effective oversight could strengthen confidence in reported earnings and the management of resources and liabilities. This provides a proposed explanation for why similar company attributes may receive different valuations across banks with different governance arrangements. Nevertheless, financial characteristics should not automatically be treated as deliberate signals; their interpretation depends on the bank's circumstances and information environment.

Agency Theory provides the primary foundation for the study by explaining how corporate governance may influence the management of company size, financial leverage and profitability.

Signalling Theory complements this perspective by explaining how investors interpret these attributes and incorporate their expectations into firm value, measured using Tobin's Q.

3. 0 Methodology

The study population comprised 13 listed banks and banking groups in Nigeria. Jaiz Bank Plc was excluded because it was listed in 2017 and therefore lacked a listed share price for measuring Tobin's Q in 2016. The remaining 12 entities constituted the study sample for 2016–2025, providing a maximum of 120 bank-year observations, subject to data availability. A purposive sampling technique was adopted to select entities with listing coverage throughout the study period and the information required to measure the study variables.

The study collected secondary data from the audited annual reports and accounts of the 12 selected listed banks and banking groups in Nigeria for 2016–2025. Historical share-price information was obtained from Nigerian Exchange records. The study employed descriptive statistics, correlation analysis and panel regression. Panel regression was used because the dataset combined observations across entities and years. Fixed-effects and random-effects specifications were assessed, while the Hausman test, alongside the assumptions underlying the estimators, informed model selection. Diagnostic tests examined heteroskedasticity, serial correlation and cross-sectional dependence. Standard errors accounted for dependence within banks. Given the small number of entities, wild cluster bootstrap inference was used to assess the robustness of statistical significance.

Model Specification

The study specified a baseline model and a moderation model. The baseline model examined the relationships between company attributes, corporate governance and firm value:

$$TQ_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 LEV_{it} + \beta_3 ROA_{it} + \beta_4 CGI_{it} + \mu_i + \lambda_t + \varepsilon_{it} \quad (1)$$

The moderation model incorporated interactions between corporate governance and the three company attributes:

$$TQ_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 LEV_{it} + \beta_3 ROA_{it} + \beta_4 CGI_{it} + \beta_5(SIZE_{it} \times CGI_{it}) + \beta_6(LEV_{it} \times CGI_{it} + \beta_7(ROA_{it} \times CGI_{it}) + \mu_i + \lambda_t + \varepsilon_{it} \quad (2)$$

Where:

Symbol	Definition
TQ_{it}	Firm value,
$SIZE_{it}$	Company size
LEV_{it}	Financial leverage,
ROA_{it}	Profitability
CGI_{it}	Corporate governance index
$SIZE_{it} \times CGI_{it}$	Interaction between company size and corporate governance
$LEV_{it} \times CGI_{it}$	Interaction between financial leverage and corporate governance
$ROA_{it} \times CGI_{it}$	Interaction between profitability and corporate governance
β_0	Intercept
β_1–β_4	Main-effect coefficients
β_5–β_7	Interaction coefficients

Symbol	Definition
μ_i	Entity-specific effects
λ_t	Year effects
ε_{it}	Error term
i, t	Entity and year, respectively

Table 3.1 Variable Measurements

Variable category	Variable	Notation	Measurement	Source
Dependent	Firm value	TQ	(Market value of equity + book value of total liabilities) ÷ book value of total assets	Chung and Pruitt (1994)
Independent	Company size	SIZE	Natural logarithm of total assets	Jeroh (2020)
Independent	Financial leverage	LEV	Total liabilities ÷ total assets	Jeroh (2020)
Independent	Profitability	ROA	Profit after tax ÷ total assets	Jeroh (2020)
Moderating	Corporate governance	CGI	Total governance score obtained ÷ maximum obtainable governance score	El-Abiad et al. (2023)

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4.0 Results and Discussion

Table 4.1: Descriptive Statistics

Variable	Obs	Mean	Standard deviation	Minimum	Maximum
Firm value (TQ)	120	0.9999	0.0813	0.8209	1.3914
Company size (SIZE)	120	28.6271	1.2536	26.2523	30.9959
Financial leverage (LEV)	120	0.8541	0.0595	0.7364	0.97
Profitability (ROA)	120	0.0185	0.0137	−0.0212	0.065
Corporate governance index (CGI)	120	0.67	0.221	0	1

Source: stata output 17, 2026.

Firm value, measured using Tobin's Q, recorded a mean of 0.9999, with a standard deviation of 0.0813. Under the study's measurement, this indicated that the market value of equity plus the book value of liabilities was, on average, approximately equal to the book value of total assets. Values ranged from 0.8209 to 1.3914, indicating that some bank-year observations fell below unity, while others exceeded it. The relatively small standard deviation suggested that valuations were

generally concentrated around the mean, although the range revealed differences across observations. Company size, measured as the natural logarithm of total assets, had a mean of 28.6271 and a standard deviation of 1.2536. The minimum and maximum values were 26.2523 and 30.9959, respectively. These figures indicated variation in the asset sizes of the sampled banks. Because SIZE was expressed in logarithmic form, the reported values represented transformed asset amounts rather than monetary values directly.

Financial leverage recorded a mean of 0.8541, indicating that total liabilities represented approximately 85.41% of total assets on average. Its standard deviation was 0.0595, equivalent to approximately 5.95 percentage points. Leverage ranged from 73.64% to 97.00%, showing differences in the proportion of assets financed through liabilities. In interpreting this result, bank liabilities included customer deposits and other funding obligations; consequently, the ratio should not be interpreted solely as reliance on conventional borrowing.

Profitability, measured using return on assets, had a mean of 0.0185, equivalent to approximately 1.85%, and a standard deviation of 0.0137, or 1.37 percentage points. ROA ranged from −2.12% to 6.50%. The negative minimum indicated that at least one bank-year observation recorded a loss after tax, while the positive maximum reflected substantially stronger profitability in another observation. The dispersion suggested that earnings performance varied across the sampled banks and years. The corporate governance index had a mean of 0.6700, indicating that the sampled observations attained, on average, 67% of the maximum obtainable governance score.

Table 4.2: Correlation Matrix

Variable	TQ	SIZE	LEV	ROA
TQ	1			
SIZE	0.1104	1		
LEV	−0.1194	−0.0129	1	
ROA	0.0467	0.1739	0.1037	1

Source: stata output 17, 2026

Company size had a weak positive correlation with firm value (r = 0.1104), indicating that larger bank-year observations tended to have slightly higher Tobin's Q values. Financial leverage had a weak negative correlation with firm value (r = −0.1194), suggesting that higher liability-to-asset ratios were associated with slightly lower valuations. Profitability exhibited a very weak positive correlation with firm value (r = 0.0467), indicating little evidence of a linear association at the bivariate level. Among the explanatory variables, company size and financial leverage had a negligible negative correlation (r = −0.0129). Company size and profitability were weakly positively correlated (r = 0.1739), while financial leverage and profitability also showed a weak positive correlation (r = 0.1037). These low coefficients suggested limited pairwise linear association among the three explanatory variables.

Table 4.3: Heteroskedasticity Test

Statistic	Value
Chi-square (1)	0.89
Reported p-value	0.441

Source: stata output 17, 2026

The test examined the null hypothesis of constant error variance. The reported p-value of 0.4410 exceeded the 5% significance level; therefore, the null hypothesis was not rejected. This indicated that the test did not provide sufficient evidence of heteroskedasticity in the estimated model.

4.3.2 Multicollinearity Test

Variable	VIF	Tolerance (1/VIF)
Profitability (ROA)	1.04	0.9585
Company size (SIZE)	1.03	0.9688
Financial leverage (LEV)	1.01	0.9883
Mean VIF	1.03	

Source: stata output 17, 2026

The VIF values ranged from 1.01 to 1.04, with a mean of 1.03. These values were close to one, while the tolerance values were high, ranging from 0.9585 to 0.9883. The results indicated that multicollinearity was not a concern among company size, financial leverage and profitability in the estimated specification.

Table 4.5: Baseline Regression Results

Variable	Coeff	Standard error	t-statistic	p-value
SIZE	0.0351	0.0118	2.99	0.003
LEV	−0.1630	0.126	−1.29	0.198
ROA	0.544	0.2344	2.32	0.021
Constant	1.3438	0.2047	6.56	<0.001

Source: stata output 17, 2026

Company size had a positive and statistically significant coefficient ($\beta = 0.0351$; $p = 0.003$). Taking the coefficient table as reported, a one-unit increase in the natural logarithm of total assets was associated with a 0.0351-unit increase in Tobin's Q, holding leverage and profitability constant. This suggested that larger banks attracted higher valuations, potentially reflecting operating capacity, diversification or economies of scale. These explanations remained interpretations rather than mechanisms established by the regression.

Financial leverage had a negative but statistically insignificant coefficient ($\beta = -0.1630$; $p = 0.198$). Although the estimated direction suggested that higher leverage was associated with lower firm value, the evidence was insufficient to establish a relationship at the 5% significance level. The result therefore did not support rejecting the null hypothesis concerning financial leverage.

Profitability had a positive and statistically significant coefficient ($\beta = 0.5440$; $p = 0.021$). Since ROA was expressed as a ratio, a one-percentage-point increase in ROA was associated with approximately a 0.0054-unit increase in Tobin's Q, holding the other explanatory variables constant. This suggested that stronger earnings performance was associated with higher valuation, consistent with investors incorporating profitability into their assessment of bank prospects.

Model statistic	Reported value
R-squared	0.327
F-statistic	71.07
Prob > F	0.0002

Source: stata output 17, 2026

The reported R-squared of 0.3270 indicated that company size, financial leverage and profitability jointly explained 32.70% of the variation in firm value. The remaining 67.30% represented variation unexplained by the model. The reported F-statistic of 71.07, with p = 0.0002, indicated that the explanatory variables were jointly statistically significant at the 5% level.

Table 4.6: Hausman Specification Test

Test statistic	Value
Chi-square	30.27
Degrees of freedom	7
p-value	0.0009
Selected estimator	Fixed effects

Source: stata output 17, 2026

The test produced a chi-square statistic of 30.27, with a p-value of 0.0009. Since the p-value was below 0.05, the null hypothesis was rejected. This provided evidence against the consistency of the random-effects estimator and supported selecting the fixed-effects model.

Table 4.7: Fixed Effects Moderation Regression Results

Variable	Coefficient	Standard error	t-statistic	p-value
SIZE	0.222	0.076	2.92	0.003
LEV	0.4036	0.3224	1.25	0.213
ROA	0.4024	0.1014	3.97	0.001
CGI	0.0401	0.0366	1.1	0.276
SIZE × CGI	0.1261	0.0216	5.85	0.001
LEV × CGI	−1.1960	0.6431	−1.86	0.066
ROA × CGI	0.5721	0.1888	3.03	0.003
Overall = 0.4435				
Between = 0.4265				
Within = 0.3712				
F(7,101) = 111.11				
Prob > F = 0.000				

Source: stata output 17, 2026

Table 4.7 presents the fixed-effects regression results on the moderating role of corporate governance in the relationship between company attributes and firm value. The within R-squared of 0.3712 indicated that the model explained 37.12% of changes in firm value within banks over time. The between and overall R-squared values were 0.4265 and 0.4435, respectively. The reported F-statistic of 111.11, with $p < 0.001$, indicated that the explanatory variables were jointly significant, subject to verification of the model-fit figures.

Company size had a positive and statistically significant coefficient ($\beta = 0.2220$; $p = 0.003$). The positive and significant company-size coefficient was broadly consistent with Daniya et al. (2024),

who reported that company size positively influenced the value of listed Nigerian manufacturing firms. The positive and significant SIZE × CGI interaction provided further evidence that the size–value relationship became more positive as governance increased. This finding was compatible with Agency Theory, which suggested that effective monitoring could constrain inefficient expansion and encourage productive asset utilisation. From the Signalling Theory perspective, a larger asset base accompanied by stronger governance could provide investors with greater confidence in a bank's operating capacity and oversight. The interaction finding also broadly complemented Gymnastiar et al. (2026), who found that some governance attributes strengthened the relationship between dividend policy and firm value.

Financial leverage had a positive but statistically insignificant coefficient (β = 0.4036; p = 0.213). Consequently, the results did not establish that governance moderated the leverage–value relationship at the selected significance level. Jeroh (2020) included leverage among the financial attributes examined in Nigerian financial service firms and reported that conclusions depended partly on the valuation measure employed. Agency Theory offered a possible explanation for the negative interaction: stronger oversight might encourage investors and boards to scrutinise the risks associated with liability-funded expansion. The interaction between profitability and corporate governance was positive and statistically significant (β = 0.5721; p = 0.003). This indicated that profitability's positive association with firm value strengthened as governance increased. A possible explanation was that stronger oversight improved investors' confidence in the sustainability and allocation of earnings. The positive and significant profitability coefficient was broadly consistent with Ifada et al. (2019), who reported a positive relationship between profitability and firm value. It also aligned with Jeroh (2020), whose findings included positive correlations between ROA and the valuation measures examined. Kusnanto and Qalbia (2024) likewise reported a significant profitability–value relationship, although the reviewed summary did not specify its direction.

Corporate governance recorded a positive but statistically insignificant main coefficient (β = 0.0401; p = 0.276). The interaction between company size and corporate governance was positive and statistically significant (β = 0.1261; reported p = 0.001). This indicated that the size–value relationship became more positive as governance increased. The result suggested that stronger governance could help banks translate their asset capacity into higher valuation through better oversight of resource allocation. The interaction between financial leverage and corporate governance was negative but statistically insignificant at the 5% level (β = −1.1960; p = 0.066). The interaction between profitability and corporate governance was positive and statistically significant (β = 0.5721; p = 0.003). This indicated that profitability's positive association with firm value strengthened as governance increased. A possible explanation was that stronger oversight improved investors' confidence in the sustainability and allocation of earnings.

5. 0 Conclusion and Recommendations

The study concluded that corporate governance conditioned the relationships between selected company attributes and the value of listed deposit money banks in Nigeria. Corporate governance positively and significantly moderated the relationships of company size and profitability with firm value. This suggested that larger asset bases and stronger profitability were associated with greater valuation benefits at higher governance levels. However, the interaction between financial leverage and corporate governance was insignificant. The study therefore found insufficient

evidence that governance moderated the leverage–value relationship. Based on the reported findings, the study recommended that:

1. Boards should scrutinise major investments, acquisitions and expansion proposals and monitor their subsequent performance. The positive size–governance interaction suggested that valuation benefits associated with a larger asset base were stronger at higher governance scores.
2. Boards and audit committees should examine the sustainability of reported profits and evaluate dividend and reinvestment decisions. This recommendation reflected the positive moderating role of governance in the profitability–value relationship.
3. The insignificant leverage interaction did not justify a general recommendation to increase or reduce leverage to improve firm value. Decisions should instead consider capital adequacy, liquidity, funding costs and asset quality.
4. Governance assessments should examine how oversight informed asset utilisation, investment appraisal and earnings allocation. The significant interactions indicated that governance mattered through its relationship with company attributes, even though its main coefficient was insignificant.

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