



**BABCOCK**  
**UNIVERSITY**

ILISHAN-REMO, OGUN STATE, NIGERIA

# COLLEGE OF POSTGRADUATE STUDIES

## 2022/2023 PhD Thesis Abstract

**Department of Accounting**

**RFN:** Emmanuel Adebayo ACHORI

**RD:** Accounting

**RS:** Management Sciences

**RE:** achorie@gmail.com

**RP:** 08032804666

**RT:** Asset Liability Management and Performance of Deposit Money Banks in Nigeria and Ghana

**MS:** Prof. Samuel O. DADA

**ME:** dadas@babcock.edu.ng

**SP:** 07062555414

**CS:** Dr. Grace O. OGUNDAJO

**CE:** ogundajog@babcock.edu.ng

**CP:** 07065263796

**AB:** Performance of Deposit Money Banks (DMBs) are of interest to stakeholders. However, studies have reported sub-optimal performance of the banks which in some cases have led to the collapse of some banks. Literatures exist on the influence of liquidity on performance of banks but few on the effect of Asset-Liability Management (ALM) on performance. Therefore, this study examined the effect of ALM on the performance [Return on Assets (ROA), Return on Equity (ROE), Tobin's  $q$ (Tq) and Economic Value Added(EVA)] of DMBs in Nigeria and Ghana.

The study used *ex-post facto* research design. The population comprised 18 DMBs licensed in Nigeria and 22 DMBs licensed in Ghana as at 31st December 2021. Purposive sampling technique was adopted to select a sample of 10 DMBs each with relevant data from Nigeria and Ghana. Validated data were sourced from annual reports of the banks for the period 2007-2021. The reliability of data was premised on the statutory audit and approval of the Financial Statements by the regulatory agencies in Nigeria and Ghana. Data were analyzed using descriptive and inferential statistics.

The findings showed that while ALM had insignificant effect on ROA of DMBs in Nigeria ( $Adj.R^2 = 0.30$ ,  $W(3, 143) = 3.62$ ,  $p > 0.05$ ) and Ghana ( $Adj.R^2 = 0.40$ ,  $W(3, 143) = 3.13$ ,  $p > 0.05$ ), ALM with control variables exerted significant effect on ROA of DMBs in Nigeria ( $Adj.R^2 = 0.30$ ,  $W(6, 143) = 29.70$ ,  $p < 0.05$ ) and Ghana ( $Adj.R^2 = 0.40$ ,  $W(6, 143) = 33.41$ ,  $p < 0.05$ ). ALM exerted significant effect on ROE of DMBs in Nigeria ( $Adj.R^2 = 0.33$ ,  $W(3, 146) = 4.17$ ,  $p < 0.05$ ) and Ghana ( $Adj.R^2 = 0.40$ ,  $W(3, 146) = 3.68$ ,  $p < 0.05$ ). ALM with control variables had significant effect on ROE of DMBs in Nigeria ( $Adj.R^2 = 0.30$ ,  $W(6,$

143) = 6.38,  $p < 0.05$ ) but insignificant effect on ROE in Ghana ( $Adj.R^2 = 0.34$ ,  $W(6, 143) = 1.94$ ,  $p > 0.05$ ), ALM exerted significant effect on Tq of DMBs in Nigeria ( $Adj.R^2 = 0.23$ ,  $W(3, 146) = 26.17$ ,  $p < 0.05$ ) but insignificant effect on Ghana DMBs ( $Adj.R^2 = 0.20$ ,  $W(3, 146) = 1.44$ ,  $p > 0.05$ ), ALM with control variables had significant effect on Tq of DMBs in Nigeria ( $Adj.R^2 = 0.34$ ,  $W(6, 143) = 6.38$ ,  $p < 0.05$ ) but insignificant effect on Tq in Ghana ( $Adj.R^2 = 0.30$ ,  $W(6, 143) = 1.70$ ,  $p > 0.05$ ), ALM had insignificant effect on EVA of DMBs in Nigeria ( $Adj.R^2 = 0.40$ ,  $W(3, 146) = 3.43$ ,  $p > 0.05$ ) but significant on Ghana DMBs ( $Adj.R^2 = 0.24$ ,  $W(3, 146) = 28.15$ ,  $p < 0.05$ ). ALM with control variables had significant effect on EVA of DMBs in Nigeria ( $Adj.R^2 = 0.36$ ,  $W(6, 142) = 18.55$ ,  $p < 0.05$ ) and Ghana ( $Adj.R^2 = 0.30$ ,  $W(3, 146) = 53.69$ ,  $p < 0.05$ ).

The study concluded that ALM affected performance of DMBs in Nigeria and Ghana. The study recommended that the management of DMBs in both countries should ensure adequate management of Asset and Liability leading to improved performance.

**Keywords:** Asset liability management, Deposit money banks, Economic value added, Loan deposit ratio, Net interest margin, Return on assets, Return on equity, Tobin's q,

**Word Count:** 499

**Abbreviations:** *RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract*

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