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Corporate Governance and Merger Activity in the Nigerian Banking Industry

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ABSTRACT This paper takes an explorative search into merger activity in the Nigerian banking industry and its impact in the sustenance of shareholder value via sound corporate governance structure. An attempt is made to draw lessons from United States experience in merger activity in the Nigerian banking industry which has as at the time of study recorded twenty -five (25) successful mergers arising from the regulatory demand for consolidation. The major finding revealed that the Banking Sector is partly responsible for the poor state of the Nigerian Economy through its support for the import – dependence nature of the economy rather than financing of sustainable economic development through shareholder values maximization. The data used are essentially secondary and the study suggests for instance, some steps to ensure improvements in corporate governance through the pursuit of shareholder value which managers, should uphold as guiding instruments for their job security.