

IMPACT OF POLITICAL AFFILIATION ON BANK PROFITABILITY IN NIGERIA

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ABSTRACT

To improve the understanding of bank profitability in Nigeria, this study sought to econometrically analyze the relationship between political affiliation and bank profitability. Using a panel data set comprising 115 observations of 14 unique banks over the last democratic dispensation (1999-2007), regression results reveal that political affiliation has a positive albeit insignificant impact on bank profitability in Nigeria. Therefore, in order to maximize profitability, managements and shareholders of banks in Nigeria may wish to consider the political affiliation strategy.

Keywords: Banking; Profitability; Political Affiliation; Nigeria

JEL Classification: C33, G21

I. INTRODUCTION

The importance of bank profitability can be appraised at the micro and macro levels of the economy. At the micro level, profit is the essential prerequisite of a competitive banking institution and the cheapest source of funds. It is not merely a result, but also a necessity for successful banking in a period of growing competition on financial markets. Hence, the basic aim of a bank's management is to achieve a profit, as the essential requirement for conducting any business (Bobáková, 2003: 21). At the macro level, a sound and profitable banking sector is better able to withstand negative shocks and contribute to the stability of the financial system. The importance of bank profitability at both the micro and macro levels has made researchers, academics, bank managements and bank regulatory authorities to develop considerable interest on the factors that determine bank profitability (Athanasoglou *et al.*, 2005: 5).

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The broad aim of this paper is to analyze, on the basis of empirical evidence, the relationship between political affiliation and bank profitability in Nigeria. In the main, the paper has four motivations. Firstly, the Central Bank of Nigeria (CBN), though currently concerned about enhancing the performance of banks operating in Nigeria, has never rendered an answer to the following question: To what extent does political affiliation influence the profitability of banks operating in Nigeria? An answer to this question may be useful to the CBN in its policy formulation toward enhancing the stability of banks in Nigeria. For instance, if ex-bank directors' holding influential positions in government help to significantly run down the profitability of the banks to which they are affiliated, there may be need for the CBN to formulate a policy to either discourage them from holding such positions in government or insulate affiliated banks from them. Also, if holding bank directorships by erstwhile influential politicians help to run down banks, there will be need for a policy to be formulated to discourage them from metamorphosing into bank directors. However, if the converse is the case, then political affiliations need to be encouraged as a strategy toward enhancing and maintaining the profitability and stability of banks operating in Nigeria. Secondly, this paper will help bank managements decide whether or not to pursue the political affiliation strategy as a means of enhancing the value of their respective banks. Thirdly, since this paper will shed light on the extent to which bank shareholders' investments are impacted by the political affiliation of their respective banks, it will help these shareholders take a stand as regards encouraging or discouraging political affiliation of their banks. Finally, though a similar study has been conducted in Ukraine (Baum *et al.*, 2008), there is no study to my knowledge that has examined the relationship between political affiliation and bank profitability within the African context. Therefore, while improving the understanding of bank profitability in Nigeria, the present study will additionally fill a gap in the existing literature on bank political affiliation theory as well as spur related research in various African countries.

To achieve its broad aim, the remainder of this paper is organized in the following manner. The next section builds up a theoretical framework for the study. Section 3 outlines the empirical estimation methods. Section 4 presents the results. Section 5 concludes the paper.

II. THEORETICAL FRAMEWORK

A. Bank Political Affiliation Theory

Sometimes businesses compete not only in business but also vie for political power. A politically-connected enterprise can be seen as one that currently has at least one legally or publicly associated representative in government who was once a member of the board, worked within its management cadre, or served on the board of a business group to which it belongs. A company can also be considered as politically-connected if its large shareholders or top managers include a member of parliament, minister or head of state, or if managers are closely related to any of these top officials (Baum *et al.*, 2008). Since politics gives access to the economy and possibility to set the rules of the game, a strong political relationship could be considered as one of the most important

intangible assets of any firm.

The importance of political affiliation to a firm is manifested in several ways. For instance, Baum *et al.* (2008: 12) are of the view that the support of parliamentarians is extremely important for firms' minimization of transaction costs associated with government bureaucracy. In addition, parliamentarians often set the rules of the game, e.g. entry barriers and statutory capital requirements. Faccio *et al.* (2006) provide empirical evidence that politically-connected firms are more likely to be rescued from financial turmoil than their non-connected peers. Furthermore, connections to legislative power enhance firms' probability of winning tenders for participation in privatization processes or for handling the transactions of state institutions. All these should play out to enhance the profitability of the politically affiliated firm.

It is now well recognized that politically-connected enterprises behave differently from those lacking such links. For instance research has documented that politically-connected firms have higher leverage ratios than their non-connected peers (Johnson, 2003; Cull and Xu, 2005; and Khwaja and Mian, 2005). Furthermore, researchers (e.g. Roberts, 1990; Fisman, 2001; and Faccio, 2006) have shown that a large proportion of the value of connected firms could be explained by the presence of their political associations.

All over the world, bankers have been known to actively engage in politicking. In Ukraine, during the "Orange Revolution" of 2004 - 2005, while Mriya bank supported the pro-Western candidate Viktor Yushchenko, the owners of Pershyj Ukrainsky Mizhnarodnyj Bank (First Ukrainian International Bank) heavily financed Russian-oriented Viktor Yanukovich. The reasons for banks to seek political connections are easily understood. Firstly, a bank with connections to high-ranking officials in the parliament or the executive branch can overcome many obstacles and can improve the conditions for doing business. For example, the bureaucratic hurdles to obtain a license to carry out transactions in foreign currency may be lower for banks that have access to a political network; or, the possibility of gaining the business to carry out monetary transactions for governmental bodies and public authorities may be greater for such banks. Secondly, politically-affiliated banks are appealing to foreign investors. This is largely due to relatively better capitalization and the ease of overcoming bureaucratic obstacles (Baum *et al.*, 2008: 6). Thirdly, in most countries, the parliament decides the course of future privatization plans. Therefore banks with political links to the parliament may enjoy an informational advantage over other interested bidders in privatization deals. In a similar vein, politically-affiliated investment banks may have a higher chance of obtaining a lucrative mandate to advise the government in privatization transactions (Baum *et al.*, 2008: 4). Finally, Bongini *et al.* (2002) posit that political connections sometimes determine governments' intervention to rescue failing banks.

In return for their connections and services, politicians seek political rents from banks, as elections and political negotiations in the parliament require huge amounts of funds which could be 'legally' tapped from them. This might take the form of donations, charitable activities or the availability of below-market-rate loans. The most active politicians have greater opportunities to establish profitable connections. They are also more likely to be involved in transactions which can be

facilitated by financial support from their affiliated institutions. Thus, banks with important political affiliations operate with a different objective function than that of strict profit maximization (Baum *et al.*, 2008: 4-5).

Politically-linked banks perform differently from those lacking such associations. Fraser *et al.* (2006) suggest that Malaysian banks' leverage is affected by informal ties to politicians. Affiliated banks are also more likely to supply funds to enterprises with concessionary terms, such as below-market interest rates, as a form of implicit bank subsidy. Baum *et al.* (2008) empirically investigated the link between political patronage and bank performance in Ukraine. They found significant differences between politically affiliated and non-affiliated banks in terms of capital structure, size, and interest rate margins. Affiliated banks significantly increase their capital-to-asset ratios, *ceteris paribus*, relative to unaffiliated banks. They are also larger than their unaffiliated counterparts. They also tend to have interest rate margins that are lower than the margins of non-affiliated banks. This is because they make loans for politically-motivated ends, i.e. in return for affiliated politicians exerting influence on their behalf. These ends often include favorable regulations, legislations and contracting. The pursuit of these ends makes them to be sub-optimizing, relative to unaffiliated banks that are profit-maximizing and operate on more objective criteria. However, in so doing, they may be attracting a larger customer base by offering more attractive loan and deposit rates, thus increasing their market shares at the expense of short-term profitability.

B. Bank Political Affiliation in Nigeria

Nigeria is a federal republic divided into 36 states and 1 Federal Capital Territory. Each state is further split into Local Government Areas (LGAs). After several years of military dictatorship between 1966 - 1999, Nigeria is currently operating a presidential representative democratic republic in which her democratically elected President is both head of state and head of government. While executive power is exercised by the government, legislative power is vested in both the government and the two chambers of the National Assembly (the Senate and the House of Representatives). The Senate (presided upon by a Senate President) is the upper chamber of the legislative house while the House of Representatives (presided upon by a Speaker) is the lower house. The highest arm of Nigeria's judiciary in the form of a court is the Supreme Court of Nigeria.

The political framework in Nigeria is classified into three levels, viz.: the federal level, the state level, and the local government area (LGA) level. At the federal level, the main political functionaries are the President; the Vice President; the Secretary to the Federal Government; 109 Senators, each elected for a four year term; 360 Honorable Members of the House of Representatives, each elected for a four year term; and 42 Honorable Ministers. At the state level, there are 36 State Governors (one for each state), 36 Deputy State Governors, and 36 Secretaries to the State Governments. As in the federal level, the state level also comprises Honorable Members of the State Houses of Assembly and State Commissioners. Finally, at the LGA level, there are 774 Local Government Councils, each consisting of a chairman, who is the Chief Executive of the LGA, and other elected members who are referred to as Councillors. Each Councilor represents a ward in the LGA; and there are a

minimum of 10 and a maximum of 15 wards in every LGA. Taking a holistic view, Nigeria's political framework has been maintained since the re-enthronement of democracy in 1999.

In Nigeria, the Banks and Other Financial Institutions Decree (BOFID) No. 25 of 1991, currently the Banks and Other Financial Institutions Act (BOFIA), does not allow serving politicians to hold a position in management or the board of directors of any bank. Specifically, section 19 (3) (b) stipulates that: *"No bank shall be managed by a person who is engaged in any other business or vocation"* (Nwosu and Nwosu, 1998: 271-272). However, despite this restriction, bank directors who metamorphose into politicians may maintain cordial relationships with their colleagues in affiliated banks and also retain large shareholdings in these banks. As a result, the affiliated banks could act in their best interest; and they could also reciprocate by acting in the best interest of the affiliated banks. In a similar vein, erstwhile influential politicians who metamorphose into bank directors may maintain cordial relationships with political incumbents. Thus, the incumbents could act in their best interest; and they could also reciprocate by influencing their banks to act in the best interest of the incumbents.

Political affiliation is a perennial, though unacknowledged, feature of the Nigerian banking industry. Historically, political affiliations of banks in Nigeria have assumed three dimensions. In the first dimension, the government directly appointed individuals into the board of directors of banks in which it had substantial ownership interests. For example, in 1984 the Federal Military Government reconstituted the board of directors of the International Bank for West Africa Ltd. (International Bank for West Africa Ltd., 1984: 4) and other banks in which it had substantial ownership interests.

In the second dimension to bank political affiliation in Nigeria, erstwhile bank directors were appointed or elected into influential positions in government. For instance, Paul Agbai Ogwuma, Managing Director & Chief Executive of Union Bank of Nigeria (UBN) Limited (1989), was appointed CBN Governor in 1995. In May, 1999, Joseph Oladele Sanusi, Managing Director of First Bank of Nigeria (FBN) Plc (1991-1993), was appointed CBN Governor. Alhaji Rasheed Ladoja, a director of Standard Trust Bank Limited (2000), became Governor of Oyo State (2004-2005). Currently, Eme Ufot Ekaette, a director of UBN (2006), is a Senator; Otunba Gbenga Daniel, a director of Bond Bank Limited (2002), is Governor of Ogun State; Dr. Bukola Saraki, Executive Vice Chairman of Societe Generale Bank Nigeria (SGBN) Limited (2002), is Governor of Kwara State; and Gregory Peter Obi, a director of Fidelity Bank Plc. (2002), is Governor of Anambra State.

In the third dimension to bank political affiliation in Nigeria, current and erstwhile influential politicians were appointed or elected into the board of directors of banks in Nigeria. For example, Alhaji (Dr.) Abdurrahman Okene, ex-Chairman Police Service Commission, was appointed a Director and Chairman of UBN in July, 1986. In 1989, Col. Godwin J.B. Ikoiwak, a serving colonel in the Nigerian army, was the Chairman of Mercantile Bank of Nigeria Limited. In 1990, Rtd. Air Commodore Dan Suleiman, ex-Governor of Plateau State (1976-1978), was the Chairman of North-South Bank (Nigeria) Limited; and Colonel Sani Bello (Rtd.), ex-Governor of Kano State (1976-1978), was a director of Inland Bank (Nig.) Ltd. In 1993, Air

Commodore Samson Omeruah (Rtd.), ex-Governor of Enugu State (1986-1987), was a director of United Bank for Africa (UBA) Plc. In 2000, Colonel Sani Bello (Rtd.), ex-Governor of Kano State (1976-1978), was a director of Broad Bank of Nigeria Limited; Arc. Musa Usman, ex-Governor of Borno State (1968-1975), was a director of Bank of the North Limited; Lt Gen. Garba Duba, ex-Governor of Bauchi State (1979) and Sokoto State (1984-1985), was a director of FBN; Dr. Garba Nadama, ex-Governor of Sokoto State (1982-1983), was a director of SGBN; and Major Gen. Paul Tarfa, ex-Governor of Oyo State (1979), was a director of Universal Trust Bank Plc. In 2002, Dr. Tim Menakaya, ex-Minister of Health (2000), was a director of Equity Bank of Nigeria Limited; Col. Aminu Isah Kontagora (rtd), ex-Administrator of Benue State (1997-1998), was a director of Intercity Bank Plc.; Chief (Dr.) Ernest A.O. Shonekan, former Head of Nigeria's Interim National Government, was a director of Inmb Bank Limited; AVM Ishaya Aboi Shekari (Rtd), ex-Governor of Kano State (1979), was a director of Lion Bank Nigeria Plc.; and Lt Gen. Garba Duba, ex-Governor of Bauchi State (1979) and Sokoto State (1984-1985), was a director of FBN. In 2006, Jeremiah Timbut Useni, ex-minister of Abuja FCT (1994-1997), was a director of Diamond Bank Plc; and Joseph Sanusi, ex-Governor of the CBN, was a director of Standard Chartered Bank Ltd.

Some of the successes and problems of banks in Nigeria have been traced to their political affiliations. For instance, Ogunleye (2003: 27) partly blamed state bank distress and failure in Nigeria on the fact that most of the government-appointed directors were ill-informed about the banks they managed. Even where some of them were willing and interested in the affairs of their banks, they were not provided with useful and relevant information by the management. Also, board members saw themselves as representatives of political parties and had little or no loyalty to the banks they served. As a result, political and social consideration pervaded the decision-making processes. This situation prompted indiscipline in such banks as sanctions or deployments became very subjective. The consequences also included irregular board meetings, lack of management cohesion as members and officers represented different and opposing interest groups, confusion and chaos in the bank, high labour turnover, and loss of public confidence, all of which adversely affected the banks (Olufon, 1992). However, no study has ever been conducted to econometrically analyze the relationship between political affiliation and bank profitability in Nigeria. This is the gap in the existing literature being eliminated by the present study.

III. EMPIRICAL ESTIMATION METHODS

A. The Framework

To econometrically analyze the relationship between political affiliation and bank profitability in Nigeria, a multiple regression model has been predicted. To construct the model, SPSS model specification tests were conducted to determine the true nature of the individual relationships existing between the regressand and the regressors. Regression estimates were derived using the ordinary least squares (OLS) method (Kahane, 2001). Koutsoyiannis (2003: 100-116) statistically demonstrates that least squares estimates are the most reliable regression estimates because of their

general quality of minimized bias and variance.

The data set used in this study comprised political affiliation indices of banks in Nigeria, various company-level indices of these banks, banking industry indices, and macroeconomic indices, over the 1999 - 2007 period. To construct the political affiliation indices, the internet-domiciled biographies of all Nigerian politicians that served between 1999 and 2007 were explored. The aim of the exploration was to identify any affiliations between them and banks in Nigeria. Information on bank directors, as well as other company-level, industry-level, and macroeconomic indices were derived from the public financial statements of an unbalanced panel (Baltagi, 2001; Naceur, 2003; and Athanasoglou *et al.*, 2005) of 14 unique banks in 115 individual observations over the 1999 - 2007 period; and various issues of CBN statistical bulletin, CBN annual report and statement of accounts, CBN monetary policy circulars, Nigeria Deposit Insurance Corporation (NDIC) annual report and statement of accounts, Securities & Exchange Commission (SEC) annual report and accounts, and The Little Data Book of the World Bank, over the same period. During the data screening process, extreme outliers were detected by means of box and whiskers plots and excluded from the data set.

B. The Predicted Model

$$P_{it} = \alpha_0 + \delta_1 PA_{it} + \delta_2 \sum C_{it} + \delta_3 \sum I_{it} + \delta_4 \sum M_{it} + \varepsilon_{it} \quad (1)$$

where P_{it} is predicted profits of bank i at time t ; PA_{it} is political affiliation of bank i at time t ; $\sum C_{it}$ represents several company-level explanatory variables (Aburime, 2008a); $\sum I_{it}$ represents several industry-level explanatory variables (Aburime, 2008b); $\sum M_{it}$ represents several macroeconomic explanatory variables (Aburime, 2008c); α_0 is the regression intercept; $\delta_{1...n}$ are variable coefficients; while ε_{it} is an error term.

In this model, the focal point of interest was on the coefficient of political affiliation. $\sum C_{it}$, $\sum I_{it}$, and $\sum M_{it}$ were infused into the model as control variables. Table 1 is a compressed exposition of the predicted model's variables.

IV. THE RESULTS

The results of the empirical estimations are contained in Table 2. The standard errors of the regression coefficients are highlighted in brackets. The models explain about 71%, 55% and 70.5% of the variation in ROA, BTP / TA and ROPLTI, respectively, of banks in Nigeria over the 1999 - 2007 period. On the average, the empirical estimations explain about 65.5% of bank profits variation in Nigeria. Significant F statistics indicate statistical significance of all the estimations.

In the main, seven reliable inferences can be made from the results. First and foremost, the coefficients of political affiliation in the models are all positive, implying that bank profitability is steadily increasing for politically affiliated banks

vs. non-affiliated banks. However, all the coefficients are statistically insignificant. Thus, the difference in profitability between the two categories of banks is insufficiently robust to serve as a basis for formulating an industry-level policy.

The second inference is that size of deposit liabilities has a significant negative relationship with bank profits variation in Nigeria. This implies that the cost of deposit expansion drives in Nigeria significantly outweigh the benefits. It is therefore advisable for banks in Nigeria to place greater emphasis on how to efficiently utilize the deposit liabilities in their respective balance sheets rather than vigorously making attempts to expand their respective sizes.

The third inference is that the composition of credit portfolios significantly influences bank profitability in Nigeria. When the credit portfolios are performing, banks' profits are improved and vice versa. This is only normal. Hence, to maximize profitability, banks need to take vibrant steps to minimize occurrence of bad and doubtful debts. Effective credit evaluation and monitoring, at all times, is recommended.

The fourth inference is that banks having structural affiliations significantly record more profits than standalone banks. As explained in previous researches of firm profitability (Leff, 1978; Hubbard and Palia, 1999; and Khanna and Palepu, 2000), it is possible that structurally affiliated banks have advantages over standalone banks through intragroup trading and internal capital markets. Also, through diversification, these banks can reduce risk and uncertainty in their operations.

The fifth inference is that government's fiscal policy, as proxied by taxation, significantly and positively impacts bank profitability in Nigeria. When contractionary fiscal policies are in force, banks yet increase their profits. This result tallies with those of Demirgüç-Kunt and Huizinga (1999 and 2001); and suggests that banks' tax bills are at least partly passed on to their customers.

The sixth inference is that stock market development has a significant positive impact on bank profitability in Nigeria. This is consistent with previous findings by Demirgüç-Kunt and Huizinga (1999 and 2001), Bashir (2000), Naceur (2003); and shows that banks are having greater profit opportunities as the Nigerian stock market is developing. Larger equity markets are giving banks greater opportunities to expand their profits.

The seventh inference is that financial structure has a significant negative impact on bank profitability in Nigeria. In a previous paper (Aburime, 2008c), I graphically demonstrated a move of the Nigerian financial system toward a more market based financial structure since the advent of the new millennium. The finding of the current study indicates that this trend has impinged negatively on bank profitability in Nigeria; and is also consistent with those of Demirgüç-Kunt and Huizinga (1999 and 2001).

V. CONCLUSION

In this paper, I have specified an empirical framework to investigate the impact of political affiliation on bank profitability. Based on the results of the empirical analysis, political affiliation had a positive albeit insignificant impact on bank profitability in Nigeria during the last democratic dispensation (1999-2007).

This somewhat contradicts the position of Olufon (1992) and Ogunleye (2003: 27) that some of the successes and problems of banks in Nigeria can be traced to their political affiliations. Rather, political affiliations have improved bank profitability in Nigeria. Therefore, in order to maximize profitability, managements of banks in Nigeria may wish to consider the political affiliation strategy. In so doing, they may encourage their current and ex-directors to engage in active politics. They may also woo erstwhile influential politicians into their respective boards. Bank shareholders could lend some encouragement in this regard. If successful, the relationships created could be leveraged upon to enhance profitability and, consequently, shareholder value. Finally, the outcome of further research on the impact of political affiliation to the dominant political party (the People's Democratic Party) on bank profitability in Nigeria would be interesting.

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Table 1- Variables Exposition

VARIABLE		DEFINITION(S)	SOURCE
Regressand	P_{it}	<p>Ratio of before tax profits to total assets (BTP/TA) (1)</p> <p>Ratio of after tax profits to total assets (ROA) (2)</p> <p>Ratio of operating profit / loss (defined as total income – total expenses) to total income (ROPLTI) (3). This simple profit ratio is believed to contain less <i>noise</i> than other profit ratios such as the return on assets or return on shareholders’ funds.</p> <p>Following Athanasoglou <i>et al.</i> (2005: 13), for the calculation of each regressand, I use the average value of assets of two consecutive years and not the end-year values, since profits are a flow variable generated during the year.</p>	<p>Athanasoglou <i>et al.</i> (2005)</p> <p>Jiménez <i>et al.</i> (2007: 14)</p> <p>Feeny (2000: 9)</p>
Determinants	PA_{it}	<p>Dummy variable 1 for a year during which an ex-director held a political appointment as the president, the vice president, senator, speaker of the House of Representatives, deputy speaker of the House of Representatives, honorable minister or state governor; and dummy variable 0 otherwise. Also, dummy variable 1 for a year during which an erstwhile president, vice president, senator, speaker of the House of Representatives, deputy speaker of the House of Representatives, honorable minister or state governor was a member of the bank’s board of directors; and dummy variable 0 otherwise. Also, dummy variable 1 for state banks; and dummy variable 0 otherwise.</p> <p>The president, the vice president, senators, speaker of the House of Representatives, deputy speaker of the House</p>	<p>Baum <i>et al.</i> (2008)</p>

	of Representatives, honorable ministers and state governors are the only politicians considered because, in the main, they are the ones whose activities can significantly influence the profitability of banks operating in Nigeria. State banks, by their inherent nature, are politically affiliated banks.	
$\sum C_{it}$	Company-level variables that could significantly influence the profitability of bank <i>i</i> at time <i>t</i>	Aburime (2008a)
$\sum I_{it}$	Industry-level variables that could significantly influence the profitability of bank <i>i</i> at time <i>t</i>	Aburime (2008b)
$\sum M_{it}$	Macroeconomic variables that could significantly influence the profitability of bank <i>i</i> at time <i>t</i>	Aburime (2008c)

Table 2- Estimation Results

VARIABLES		BTP/TA AS REGRESSAND	β	ROA AS REGRESSAND	β	ROPLTI AS REGRESSAND	β
a_0		-.013 (.166)	-	.018 (.089)	-	.640 (.646)	-
PA_{it}		.004 (.013)	.058	.005 (.007)	.115	.037 (.052)	.128
$\sum C_{it}$	$CAP_{i,t-1}$ Ln (SC to TA)	-.006 (.007)	-.208	-.001 (.004)	-.071	.016 (.028)	.112
	DL_{it}	-.048 (.019)**	-.325	-.013 (.008)**	-.130	-.084 (.075)*	-.120
	Lg10 (CP_{it})	.002 (.015)	.013	.005 (.008)	.053	-.077 (.057)	-.117
	Arsin (CCP_{it}) (PL to TL)	.004 (.001)***	.048	.014 (.006)**	.269	.141 (.041)***	.367
	Ln (LP_{it})	.006 (.006)	.214	.005 (.003)	.267	.003 (.023)	.026
	IT_{it}	-.008 (.007)	-.121	-.003 (.004)	-.078	.023 (.028)	.078
	R_{it}	.030 (.085)	.088	.021 (.045)	.093	-.027 (.329)	-.016
	S_{it}	-.012 (.009)	-.201	-.007 (.005)	-.174	.005 (.035)	.016
	O_{it} (FB/DB)	-.005 (.007)	-.072	.001 (.004)	.021	.019 (.028)	.056
	(PB/SB)	.019 (.015)	.318	.012 (.008)	.294	.082 (.057)	.289
	OC_{it}	.008 (.015)	.057	-.004 (.008)	-.040	-.019 (.058)	-.029
	COD_{it} (DS to TBS)	.072 (.045)	.224	.037 (.024)	.176	-.054 (.176)	-.035
SA_{it}	.014 (.008)*	.209	.008 (.004)*	.180	.030 (.031)**	.094	
$\sum I_{it}$	DGO_t	.063 (.050)	.223.	.017 (.027)	.088	.197 (.195)	.145
$\sum M_{it}$	Artan (CTP_t)	.016 (.009)*	.075	.006 (.004)*	.047	.172 (.081)**	.173
	BSD_t (BA to GDP)	.109 (.206)	.133	.026 (.110)	.048	.135 (.801)	.034
	(BLA to GDP)	.108 (.168)	.091	.084 (.089)	.106	.487 (.651)	.085
	SMD_t (VST to GDP)	16.513 (9.199)*	.471	5.324 (3.906)*	.229	46.776 (.25.731)*	.278
	FS_t (SMC to BA)	-.876 (.439)**	-.180	-.571 (.288)*	-.177	-4.545 (2.096)**	-.195
R ² / Adj R ²		.550 / .398	-	.710 / .611	-	.705 / .605	-
Durbin-Watson		2.168	-	2.452	-	2.359	-
ANOVA (F)		3.614***	-	7.221***	-	7.062***	-

Note * $p < .10$, ** $p < .05$, and *** $p < .01$