

Corporate Governance and the Financial Performance of Commercial Banks in Uganda: A Case Study of Centenary Bank, Jinja Road Branch

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Introduction

The study aimed at examining the relationship between corporate governance and the financial performance of commercial banks in Uganda. The study focused on Centenary Bank, Jinja road branch.

Study objectives

The objectives of the study were:

1. to examine how strategic leadership improved the financial performance of Centenary Bank,
2. to assess how financial supervision enhanced the financial performance of Centenary Bank, and
3. to examine the extent to which internal controls improved the financial performance of Centenary Bank.

Methodology

The study used a cross-sectional design and employed quantitative approach and qualitative approaches. The study population consisted of 75 participants. A sample size of 63 was selected. Simple random and purposive sampling techniques

were employed to select respondents. Quantitative data analysis mainly consisted of descriptive statistics (frequencies and percentages) and inferential statistics (Pearson correlations, linear regression, and ANOVA). Content analysis was used to analyze qualitative data.

Key findings

The study established that strategic leadership had positively and significantly improved the financial performance of Centenary Bank ($r < 0.505$, $p < 0.01$). It further established that financial supervision had positively and significantly improved the financial performance of Centenary Bank ($r < 0.596$, $p < 0.01$). Last but not least, the study found that internal controls had positively and significantly improved the financial performance of Centenary Bank ($r < 0.618$, $p < 0.001$).

Therefore, the study concluded that financial performance improved the Bank's profitability, liquidity, and loan recovery.

Key recommendations

The study recommended that the corporate governance of the Bank should be further improved to ensure that the challenges associated with profitability are improved in the bank.

Key references

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