

The main objective was to determine the effect of corporate governance on financial performance of Commercial Banks in Kenya. The specific objectives of the study included; to establish the effect of board size on financial performance of commercial banks in Kenya; to determine the effect of organizational structure on the financial performance of commercial banks in Kenya; to establish the effect of board composition on the financial performance of commercial banks in Kenya; to establish the influence of CEO duality on financial performance of commercial banks in Kenya. A descriptive research design was employed in the study.

Secondary data was obtained from Central bank of Kenya. The data obtained was then analysed using SPSS software version 27. The study used annual data of the current 42 commercial banks for the period 2001 to 2018. The data was both quantitative and qualitative secondary data. In analysing quantitative data, the study used descriptive statistics while qualitative data was analysed using content analysis. In addition, multiple regressions were used to determine the significance of each independent variable in affecting the financial performance of the said firms.

From the study findings, financial performance as measured using ROA constantly significantly increased over the study period. The average board size increased as follows; from four to nine over the five-year period which was a transformation of the firms from small to large board sizes. The listed firms had large board sizes which were beneficial for their corporate performance because they have diverse expertise to help make better decisions, and are harder for their powerful CEOs to dominate. The study concludes that the corporate governance practices (board size, CEO duality, board composition and organization structure) adopted significantly influence financial performance of commercial banks. The study recommends that the management of commercial banks should constantly monitor the board size to ensure there is smooth coordination within the board, that there is no free riding by individual directors, its

efficiency in decision making remains optimal and that CEO dominance is not allowed which are the challenges with large board sizes. Commercial banks management should continuously review the roles of the CEO and the chairman to ensure both remain effective in their roles due to the ever-changing market dynamics and to safeguard shareholder value. Commercial banks should seek to ensure greater diversity of nonexecutive board members and continuous supervision of executive board members to reduce the risk of the company through rigorous checks and balan