Abstract

this study examined the influence of green finance governance practices on the financial performance of commercial banks in nairobi county, kenya. the research was motivated by growing evidence that governance structures which integrate environmental, social, and sustainability considerations play a critical role in strengthening institutional resilience and driving long-term financial outcomes. guided by institutional theory, the study focused on board oversight, esg reporting, accountability mechanisms, and the integration of environmental risk into decision-making. a descriptive research design was adopted, targeting 156 managerial staff from 39 commercial banks, with a sample of 112 respondents selected using yamane's formula. data were collected through structured questionnaires and analyzed using descriptive statistics, correlations, and regression models.the results showed that green finance governance practices are moderately to highly adopted across banks, with an overall mean of 3.70, reflecting strong board commitment to sustainability oversight, regular esg disclosures, and emerging accountability systems. inferential analysis revealed a strong positive relationship between governance practices and bank performance, with a correlation coefficient of 0.768 and an r square of 0.590, indicating that fifty nine percent of the variance in performance is explained by green governance practices. regression findings further confirmed that a one-unit increase in green governance leads to a significant improvement in financial performance ($\beta = 0.704$, $p < 0.05$). the study concludes that green finance governance is a strategic driver of profitability, liquidity strength, and institutional competitiveness. it recommends strengthening board-level esg oversight, enhancing sustainability reporting, expanding accountability systems, and adopting clear regulatory standards to deepen governance integration and improve financial outcomes within kenya's banking sector.