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Accounting Information and Share Prices of Listed Deposit Money Banks in Nigeria

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ABSTRACT

This study investigates the effect of accounting information on share prices of listed Deposit Money Banks (DMBs) in Nigeria. The study adopts a panel data approach covering the period from 2014 to 2023 and utilizes metrics such as Earnings per share (EPS), Return on Assets (ROA) and Return on Investment (ROI) as proxies for accounting information as independent variables. Share price serves as the dependent variable, representing market valuation. Data were sourced from the annual reports and accounts of the selected DMBs and analyzed using multiple regression techniques. The findings reveal that accounting information exhibits varying degrees of significance and explanatory power in predicting share prices. EPS is the most influential determinant of share price for Nigerian Deposit Money Banks, reaffirming its central role in investor decision-making and market valuation. ROA and ROI, while directionally positive, exhibit weaker statistical relevance, suggesting that investors may assign lesser importance to these indicators. The study recommended that there is a need to prioritize strategies that enhance earnings per share, as it significantly influences investor perception and share price performance.

Keywords: Accounting information, market price, earning per share, return on asset.

1.0 INTRODUCTION

Accounting information is the product of well-structured accounting systems that are designed to systematically measure, record, and report audited quantitative data regarding an entity's financial status and operational performance. According to Oto *et al.* (2023), this information is primarily presented through audited financial statements such as the balance sheet, income statement, and cash flow statement, accompanied by relevant notes and disclosures.

These documents serve as the core of financial reporting and are critical for a diverse range of users, including investors, creditors, regulators, and management.

Furthermore, accounting information serves as a fundamental tool for measuring and communicating economic events. It plays an essential role not only in the management and strategic planning of business operations but also in investment decision-making and financial stewardship. As Egiyi (2022) emphasised, accounting information provides insights into an entity's financial viability and is typically expressed through various financial ratios, such as Earnings Per Share (EPS), Dividend Per Share (DPS), and Return on Investment (ROI), among others. These metrics provide stakeholders with measurable indicators of a firm's financial health and performance.

The share price of a firm, particularly in the banking sector, is often considered a comprehensive representation of the market's perception of the company's future profitability and overall value. Egiyi (2022) argues that share prices reflect investors' expectations and assessments of future earnings and cash flows. In this regard, share prices serve not only as a tool for determining whether a business is operating profitably but also as a critical determinant of

shareholder value. Peter et al. (2024) further support this by suggesting that the valuation attached to a company's share price can significantly influence investment decisions, offering both motivation and assurance to existing and potential investors in the capital market.

The primary objective of every share market participant is to maximise returns while minimizing losses. Hence, understanding the dynamics of share prices and their underlying determinants becomes crucial for investors. As noted by Izedonmi (2021), the extent to which financial statements and the information contained therein can explain share market behaviours and movements underscores the relevance and usefulness of accounting information. In essence, the transparency, reliability, and timeliness of accounting data enhance investor confidence and contribute to more efficient capital allocation in the market.

However, it is important to acknowledge that despite the objective of earning dividends and capital gains, some investors incur losses due to various factors (Peter et al., 2024). These may include poor corporate governance, mismanagement, financial misreporting, and organizational failures. Corporate scandals and unethical practices can distort the true value of accounting information, leading to inaccurate assessments and misguided investment decisions.

In light of the above, this study seeks to conduct an empirical analysis of the effect of accounting information on the share prices of banks listed in the Nigerian Exchange Group (NGX).

2.0 Literature Review

2.1 Conceptual Framework

Accounting information refers to the systematically prepared and disclosed financial data that reflects the financial condition, performance, and changes in the financial position of a business entity over a given period (Daniel, 2025). This information is typically presented through annual financial reports, which include the balance sheet, income statement, statement of cash flows, and accompanying notes and disclosures. These reports provide a basis for evaluating an entity's economic activities and for making informed investment, lending, and management decisions (Akim et al., 2014). Accounting information includes the financial data published in annual reports, such as profitability ratios (EPS, ROA, ROI) and share price indicators. Share price represents the market value of a firm's equity.

2.1.1 Earnings Per Share (EPS) and Share Price

Earnings Per Share (EPS) is a critical measure of a company's profitability and is widely recognised by investors, analysts, and financial

institutions as an essential tool for assessing financial performance (Daniel, 2025). EPS is calculated by dividing a company's net income attributable to ordinary shareholders by the number of outstanding shares. It reflects the portion of a firm's profit allocated to each share and is often used to estimate the potential earnings an investor might receive per share held (Kieso et al., 2019).

A higher EPS generally indicates better profitability and is typically associated with higher market valuation. Investors interpret increases in EPS as a sign of operational success, improved managerial performance, and growing shareholder value, all of which can lead to an increase in share price. EPS is frequently incorporated into valuation models such as the Price-Earnings (P/E) ratio, which investors use to determine whether a stock is over- or under-valued in comparison to its peers (Daniel, 2025).

2.1.2 Return on Assets (ROA) and Share Price

Return on Assets (ROA) is a profitability ratio that measures the efficiency of a company's assets to generate net income (Clement et al., 2022). It is calculated by dividing net income by total assets. ROA serves as a direct measure of how effectively a company converts its asset base into profit and is thus a crucial indicator of operational efficiency.

A higher ROA suggests superior asset utilization, often resulting from sound management and efficient internal operations (Enaibre, 2022). As such, investors and market participants view ROA as a signal of sustainable earnings capacity, which can positively influence stock price performance (Brigham & Houston, 2018). Firms that consistently report strong ROA values are typically more attractive to investors seeking efficient, growth-oriented businesses.

2.1.3 Return on Investment (ROI) and Share Price

Return on Investment (ROI) is a financial metric used to evaluate the efficiency or profitability of an investment relative to its cost. It is commonly calculated as: $ROI = \text{Net Profit} \div \text{Investment Cost} \times 100$ (Enaibre, 2022). ROI provides investors with insights into how effectively a company utilizes its capital to generate returns. A higher ROI indicates that the company is generating significant income from its invested capital, which can attract investors and positively influence the firm's share price (Doobee, 2025).

Share Price reflects the market valuation of a company's equity and is influenced by various internal and external factors, including profitability, growth potential, investor sentiment, and broader economic conditions. ROI, as an indicator of performance and capital efficiency,

can impact share price by signalling value creation. When a firm consistently reports high ROI, it suggests efficient resource utilization and strong management practices, which enhance investor confidence and may lead to increased demand for the company's shares, thereby raising the share price (Brigham & Houston, 2019).

Moreover, ROI serves as a comparative tool for investors assessing multiple firms within the same industry. Firms with higher ROI are generally perceived as better investment opportunities, which can lead to upward pressure on their share prices. Conversely, poor ROI performance may lead to decreased investor interest and a decline in share price.

According to Ross, Westerfield, and Jordan (2018), ROI not only affects investor perception but also plays a role in strategic decision-making, including reinvestment strategies, dividend policies and cost management, all of which have downstream effects on share valuation.

2.1.4 Share Price Indicator

The share price is the current trading value of a company's equity in the stock market and represents the collective judgment of investors regarding the firm's current performance and prospects (Peter, et al., 2024). Share price is influenced by a variety of factors, including internal performance metrics such as earnings, assets, and dividend policies, as well as external

elements like macroeconomic indicators, market sentiment, and global financial trends.

Share price serves as a comprehensive and dynamic indicator that integrates both quantitative financial data and qualitative assessments. It is often used by stakeholders to determine a company's market capitalization, assess investment attractiveness and evaluate corporate value creation (Egiyi, 2022). An increase in share price usually reflects investor optimism and confidence in the firm's growth trajectory, while a decline may signal performance concerns or negative market perceptions.

These indicators, EPS, ROA, and ROI, are vital components of accounting information that directly influence the valuation of a firm's share price. These indicators enable investors to assess profitability, asset efficiency, and intrinsic value, thereby guiding investment strategies. The share price, as a reflection of market sentiment and firm performance, reacts to changes in these financial metrics, further reinforcing the significance of accurate, timely, and transparent financial reporting in capital markets.

2.2 Theoretical Review

This study is grounded on two key financial theories that explain the relationship between accounting information and stock prices:

2.2.1 Efficient Market Hypothesis (EMH)

Proposed by Fama (1970), the Efficient Market Hypothesis posits that financial markets are "informationally efficient," meaning that stock prices fully and immediately reflect all available information, including historical data, public disclosures, and even insider information in the case of strong-form efficiency. Under this theory, it is assumed that investors process all available accounting and economic information rationally, and as a result, it becomes nearly impossible to consistently achieve returns above the market average through information-based trading. This hypothesis reinforces the importance of publicly available accounting information, as it is believed to be promptly integrated into share prices, making financial reports a vital determinant of market valuation.

2.2.2 Signalling Theory

Introduced by Spence (1973), Signalling Theory suggests that firms use financial statements and disclosures as strategic tools to convey private information to the market. In situations of information asymmetry where one party (e.g., company management) possesses more information than another (e.g., investors), companies often signal their financial health or prospects through credible indicators such as earnings reports, dividend announcements, and asset declarations. High-quality and transparent

accounting information thus serves as a signal of corporate stability, profitability, and growth, which can positively influence investor perception and, ultimately, stock prices.

Together, these theories provide the theoretical foundation for examining how accounting information affects share prices. EMH highlights the role of publicly available information in shaping share prices, while Signalling Theory emphasizes how firms strategically disclose financial information to influence investor behaviour and market valuation. The interplay between these theoretical perspectives underpins the rationale for analyzing the effect of accounting information on share prices within the Nigerian banking sector.

2.3 Empirical Review

Numerous empirical studies have been conducted to examine the effect of accounting information on share prices, particularly within the context of Deposit Money Banks (DMBs) in Nigeria. These studies generally agree that accounting figures such as earnings per share, book value, and dividends possess value relevance, but differ in terms of methodology, variables used and findings.

Peter et al. (2024) assessed the impact of accounting information on the share price of oil and gas firms in Nigeria over the period 2007 to 2021 using regression analysis. The study utilized

key accounting metrics such as Return on Investment (ROI), Return on Assets (ROA), Leverage (LEV), Asset Turnover Ratio (ATR), and Cash Flow from Operating Activities (CFOA) as independent variables, while the share price served as the dependent variable. The study concluded that accounting information significantly influences share prices and advised management to enhance profitability metrics like ROA. Additionally, investors were encouraged to rely on accounting indicators when making investment decisions, particularly in the oil and gas sector.

Enaibre (2022) explored the value relevance of accounting information over two time spans, 2007 to 2009 and 2007 to 2016, to capture the effects of International Financial Reporting Standards (IFRS) adoption. Employing the Ordinary Least Squares (OLS) technique, the study found that variables such as ROI, Earnings per Share (EPS), firm size, leverage, and cash flow were significant determinants of share price. The findings underscored that accounting information became more relevant in the post-IFRS era, leading to the recommendation that stakeholders pay closer attention to these variables when evaluating firm value.

In a related IFRS-focused study, Oto et al. (2023) analysed whether the adoption of IFRS enhanced the quality of accounting information among

listed DMBs in Nigeria between 2006 and 2020. Contrary to expectations, the study found that IFRS adoption did not significantly improve timely loss recognition, a key qualitative characteristic of financial reporting.

Doobee (2025) conducted a multiple regression analysis to assess the relationship between accounting information and share prices of DMBs in Nigeria from 2013 to 2022. The study focused on EPS, Average Price per Share (APS), and Dividend per Share (DPS) as proxies for accounting information. The empirical results indicated that all three proxies had a positive and statistically significant impact on share price. Based on these findings, the study recommended that DMBs enhance the quality of disclosures to guide investor decisions effectively.

Peter (2023) further examined the reflection of investor expectations through accounting metrics—EPS, APS, and DPS—between 2010 and 2019 using both descriptive and inferential statistics. Findings demonstrated that these accounting variables significantly influence share prices, independent of firm age and size. The study advocated for prompt dividend payments by DMBs to bolster investor confidence and stimulate stock market activity.

Nwikwonzor et al. (2025) focused on the responsiveness of EPS and ROI to IFRS adoption in Nigeria, covering the years 2006 to 2022.

Utilizing OLS regression, they observed that the transition to IFRS has implications for both investors and regulators, particularly regarding the informativeness and reliability of accounting figures. They called for continued investigation into the long-term impact of IFRS implementation.

Daniel (2025) took a pan-African perspective by evaluating the value relevance of accounting information under IFRS 9 across African banks between 2010 and 2019. Using both price and return regression models, the study found improved informativeness of earnings in the post-IFRS 9 period, although book values remained more relevant under the earlier IAS 39 regime. This highlighted the nuanced effects of evolving accounting standards on financial reporting.

Imhanzenobe et al. (2024) employed the Ohlson model with fixed and random effects, as well as robust standard error estimators (DKSE & PCSE), to examine the effect of IFRS adoption on the value relevance of accounting information in Nigeria from 2007 to 2016. Their results revealed a significant enhancement in the relevance of earnings, book values, and cash flows following IFRS adoption. They recommended that investors prioritize these variables when assessing firm performance and value.

In another dimension, Yusuf et al. (2024) examined the moderating role of macroeconomic

conditions, specifically Real Gross Domestic Product (RGDP), on the relationship between accounting information and share price from 2012 to 2021. Using OLS, the study found that both accounting metrics and RGDP significantly influenced share prices. The authors emphasized the need to consider broader economic indicators in investment decision-making to better capture market dynamics.

Egiyi (2022) assessed the role of IFRS in enhancing the quality of financial statements over two periods: 2003–2011 (pre-IFRS) and 2013–2021 (post-IFRS), using the Mann-Whitney U test. The findings supported the proposition that IFRS significantly improves the quality and reliability of financial reports, which in turn can positively influence share valuation.

Ezeagu et al. (2022) investigated the impact of accounting information on the stock prices of DMBs over the period 2011 to 2020 using the least squares method. The study confirmed that book value, earnings, and DPS significantly influenced stock prices. As a result, the authors recommended that investors conduct thorough analyses of these key accounting indicators when valuing bank stocks.

Ame et al. (2023) employed descriptive statistics, correlation analysis, and econometric techniques to evaluate the predictive power of accounting performance indicators on share prices of listed

DMBs in Nigeria between 2012 and 2021. Key variables included Return on Equity (ROE), ROA, Price-Earnings Ratio (PER), and EPS, all of which were found to be strong predictors of share price. The study advised alignment of banking policies to enhance ROE and ensure share price appreciation.

Clement et al. (2022) focused on the value relevance of accounting information among DMBs from 2010 to 2019, using panel data regression. Variables such as EPS, ROI, DPS, and ROA all exhibited significant positive relationships with stock prices. The study recommended timely and adequate financial disclosures to promote transparency and attract investor interest.

Olowe et al. (2021) compared the value relevance of accounting information before and after IFRS adoption in Nigerian DMBs from 2008 to 2015, using Generalized Least Squares (GLS) regression. Findings revealed that although financial information remained relevant in both periods, there was no evidence that post-IFRS accounting figures were more informative. The authors proposed stricter IFRS compliance enforcement, training for preparers, and enhanced corporate governance structures.

Akim et al. (2019) also assessed the value relevance of accounting figures in Nigerian DMBs over the period 2004 to 2012. Using

multivariate regression with price and return models, they examined EPS, ROI, and Cash Earnings per Share (CEPS). Their results highlighted the need for improved regulatory oversight and monitoring to ensure investor protection and increase market efficiency.

3.0 METHODOLOGY

3.1 Research Design

The study adopts an ex post facto research design using panel data.

3.2 Population and Sample Size

The population comprises all DMBs listed on the NGX. A purposive sample of tier one banks with consistent financial reporting from 2014 to 2023 was selected, which includes Zenith Bank, Guaranty Trust Bank (GTBank), Access Bank, First Bank, and United Bank for Africa (UBA) Plc.

3.3 Model Specification

The multiple regression model is specified as:

$$SP_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 ROA_{it} + \beta_3 ROI_{it} + \mu_{it}$$

Where:

SP = Share Price

EPS = Earnings per Share

ROA = Return on Assets

ROI = Return on investment

μ = Error Term

4.0 RESULTS

4.1 Descriptive Statistics

The descriptive statistics for the study variables are Share Price (SP), Earnings per Share (EPS), Return on Assets (ROA), and Return on Investment (ROI) based on 50 observations.

Table 1 Descriptive Statistics

Variable	Obs	Mean	SD	Min	Max
SP	50	17.176	7.4243	6.5	32.7
EPS	50	2.875	1.356438	1.05	5.7
ROA	50	2.344	.7108948	1.2	3.6
ROI	50	5.29	1.532006	2.9	7.9

Source: Researcher's Computation (2025)

Table 1 revealed an important insights into the accounting information metrics and market valuation of the sampled banks, particularly deposit money banks in Nigeria. The average share price (SP) is ₦17.18, which reflects the typical market value investors assign to a unit of stock among the firms studied. However, the standard deviation of ₦7.42 indicates a considerable level of dispersion, suggesting that share prices differ significantly across firms or over time. This broad variability, further illustrated by the minimum and maximum values of ₦6.5 and ₦32.7 respectively, may be attributed to variations in firm size, financial performance, investor perceptions, and macroeconomic influences affecting individual stocks differently.

The mean Earnings Per Share (EPS) stands at ₦2.88, suggesting that, on average, shareholders earned this amount for each share held. The standard deviation of 1.36 points to a moderate degree of variation in profitability per share, indicating that while some banks perform consistently, others generate notably higher or lower earnings. The range from ₦1.05 to ₦5.7 underscores the existence of firms with considerably stronger profitability, which likely influences their attractiveness to investors and, by extension, their share prices.

In terms of operational efficiency, the mean Return on Assets (ROA) is 2.34%, a relatively modest figure that aligns with industry expectations for banking institutions, which typically operate with large asset bases and modest returns. The low standard deviation of 0.71% implies that the firms in the sample exhibit similar levels of efficiency in utilizing their assets to generate profit. The narrow range between 1.2% and 3.6% further supports the observation that most banks operate within a closely clustered performance band regarding asset returns.

On the other hand, Return on Investment (ROI) records a mean of 5.29%, indicating the average yield firms achieved on their invested capital. The higher standard deviation of 1.53%, compared to ROA, reflects a wider disparity in how effectively different banks convert investments into returns.

The minimum and maximum ROI values of 2.9% and 7.9%, respectively, point to noticeable differences in investment efficiency across firms, which may be influenced by management strategy, asset allocation, or external economic conditions.

Overall, the results highlight that share price exhibits the greatest variability among all the variables, underscoring divergent investor valuations likely driven by differences in financial performance, growth prospects, and market perception. In contrast, ROA appears relatively stable, which could be due to regulatory frameworks, risk management practices, and structural similarities across the banking sector. The variation in EPS and ROI suggests that while some banks are more efficient and profitable, others lag behind, pointing to performance differentials that are important for both investors and regulators to monitor. Additionally, the relatively low average ROA and ROI figures are in line with established benchmarks for the Nigerian banking industry, reflecting its capital-intensive nature and moderate profit margins.

4.2 Correlation Matrix

Correlation matrix for the study variables are Share Price (SP), Earnings per Share (EPS), Return on Assets (ROA), and Return on Investment (ROI).

Table 2 Correlation Matrix

VARIABLES	SP	EPS	ROA	ROI
SP	1.0000			
EPS	0.9910	1.0000		
ROA	0.9867	0.9769	1.0000	
ROI	0.9904	0.9840	0.9932	1.0000

Source: *Researcher's Computation (2025)*

The correlation analysis reveals exceptionally strong positive linear relationships among all the variables, with correlation coefficients exceeding 0.97 in each case. Such high values indicate that changes in one variable are closely and proportionally mirrored by changes in the others, reflecting a strong mutual association. Specifically, the correlation between Share Price (SP) and Earnings Per Share (EPS) is 0.9910, denoting an almost perfect positive relationship. This implies that firms with higher EPS typically command higher share prices, highlighting that investors place considerable emphasis on a company's earnings performance when determining its market value.

Similarly, the correlation between SP and Return on Assets (ROA) is 0.9867, reinforcing the notion that banks that utilize their assets more efficiently tend to experience higher share valuations. This relationship suggests that operational efficiency, as measured by ROA, is a key consideration in investor assessments. Furthermore, the correlation between SP and Return on Investment (ROI) is 0.9904, again confirming a very strong

association. This indicates that firms achieving superior returns on invested capital are likely to enjoy greater market confidence and, consequently, higher share prices.

In addition to these relationships involving share price, the intercorrelations among the accounting performance indicators themselves are also notably high. The correlation between EPS and ROA stands at 0.9769, between EPS and ROI at 0.9840, and between ROA and ROI at 0.9932. These values suggest that these financial metrics are highly interdependent, meaning that firms with strong earnings typically also exhibit efficient asset use and higher returns on investment. Such strong internal consistency among the performance indicators may reflect the underlying profitability and operational stability of the firms in the sample, especially within the structurally regulated Nigerian banking sector.

4.3 Regression Analysis

Multiple linear regression model where Share Price (SP) is the dependent variable and the independent variables are EPS (Earnings per Share), ROA (Return on Assets) and ROI (Return on Investment) based on 50 observations.

Table 3 Multiple Linear Regression

Source	SS	df	MS	No. of obs = 50		
Mode 1	2674.8	3	891.490	F(3, 46) =	1552.18	
Residual	26.4200	46	.574348	Prob > F =	0.0000	
Total	2700.89	49	55.1202	R-squared =	0.9902	
				Adj R-squared =	0.9896	
				Root MSE =	.75786	
SP	Coef.	Std. Err.	t	P>t	t [95%]	Conf. Interval]
EPS	2.8500	.44752	6.37	0.000	1.949211	3.750864
ROA	2.4490	1.3069	1.87	0.067	-.1816519	5.079835
ROI	1.1880	.72606	1.64	0.109	-.2734708	2.649521
-cons	-3.0431	.87822	-3.47	0.001	-4.810956	-1.275409

Source: Researcher's Computation (2025)

Table 3 shows the regression results, the result indicated that Earnings Per Share (EPS) is statistically significant at the 1% level, suggesting a highly robust relationship with Share Price (SP). Specifically, a one-unit increase in EPS corresponds to an average ₦2.85 rise in share price, assuming other variables remain constant. This underscores EPS as a critical determinant of market valuation and aligns with investor behavior that prioritizes earnings as a primary indicator of firm performance.

In contrast, Return on Assets (ROA), while showing a positive coefficient, is only marginally significant at the 10% level, indicating a weaker and less reliable influence on share price within

the context of the model. This suggests that while efficient asset utilization may contribute to increased market valuation, the strength of this relationship is not as convincing statistically. Return on Investment (ROI) also exhibits a positive association with share price; however, it is not statistically significant at conventional levels ($p > 0.05$), indicating that its impact, though positive in direction, lacks sufficient statistical evidence in this sample.

The intercept (constant term) is significantly negative, implying that if all explanatory variables were hypothetically zero, the predicted share price would be negative. While this outcome is not practically interpretable, it often emerges in models involving financial metrics where zero-values are unrealistic.

Among the predictors, EPS emerges as the most influential and statistically valid variable, reinforcing its dominance in investor evaluations of share price. The relatively insignificant effects of ROA and ROI, despite their positive coefficients, may be attributable to multicollinearity, given the exceptionally high correlations observed among the independent variables. Such multicollinearity can inflate standard errors and obscure the individual effects of each predictor, leading to underestimation of their significance.

Furthermore, the sample size ($n = 50$), while acceptable for basic analysis, may limit the statistical power needed to detect subtler relationships, particularly when predictor variables are highly correlated. Despite these limitations, the overall model fit is excellent, with an R-squared value of 0.99, indicating that 99% of the variation in share price is explained by the model. This level of explanatory power, though impressive, also reinforces the need for caution, as it may be partially inflated by overlapping predictor effects.

4.4 Discussion of Findings

The findings reveal that Earnings Per Share (EPS) exerts a statistically significant and positive relationship with Share Price (SP) at the 1% significance level, indicating a strong and reliable relationship between the two variables. This finding comcurs with the Daniel (2025), Ame, et al (2023) and Nwikwonzor et al (2025). The regression coefficient suggests that, holding other factors constant, a one-unit increase in EPS leads to an approximate ₦2.85 increase in share price. This emphasizes the importance of EPS as a key driver of investor valuation and reflects the tendency of market participants to place considerable weight on a firm's profitability when making investment decisions.

In contrast, Return on Assets (ROA) while positively related to share price, is only marginally significant at the 10% level. This finding is in line with the study of Ame, et al (2023), Clement, et al (2022) and Peter et al (2024). This implies that although improved asset efficiency may contribute to higher share prices, the statistical evidence for this relationship is relatively weak within the context of the current model. It suggests that investors may not regard ROA as strongly as EPS when assessing firm value, possibly due to its indirect reflection of profitability.

Similarly, Return on Investment (ROI) demonstrates a positive coefficient, indicating a potential favourable relationship with share price. However, this association is not statistically significant at the 5% level, implying that the evidence does not support a meaningful impact of ROI on share price within the sample. While the positive direction is consistent with theoretical expectations, the lack of statistical significance suggests that ROI may not play a decisive role in market valuation, at least not independently or under current model conditions.

5.0 Conclusion and Recommendations

5.1 Conclusion

This study concludes that among the selected accounting variables, EPS is the most influential determinant of share price for Nigerian Deposit Money Banks, reaffirming its central role in investor decision-making and market valuation. ROA and ROI, while directionally positive, exhibit weaker statistical relevance, suggesting that investors may assign lesser importance to these indicators or that their influence is mediated through other firm-specific or macroeconomic factors. The high correlation among variables also indicates potential multicollinearity, which may affect the robustness of the individual coefficients.

Recommendations

1. Banks should prioritize strategies that improve Earnings Per Share (EPS), including cost optimization, efficient asset utilization, diversification of income streams, and adoption of digital innovations that reduce overheads while boosting profitability.
2. Investors are advised to assign greater weight to EPS when making investment choices, while also exercising caution by examining sustainability of earnings,

dividend policies, and overall risk exposure of the banks.

3. Beyond EPS, banks and investors should consider a basket of performance indicators such as ROA, ROI, and capital adequacy ratios to obtain a balanced view of financial health and long-term sustainability.
4. Regulators such as the Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC) should encourage listed banks to improve disclosure quality and provide detailed breakdowns of earnings drivers. This will enhance investor decision-making and market efficiency.
5. Banks are advised to focus not only on short-term EPS growth but also on long-term value creation strategies such as innovation, sustainable lending practices, and corporate social responsibility (CSR), which strengthen market reputation and investor trust.

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