INTERNATIONAL FINANCIAL REPORTING STANDARDS VALUE RELEVANCE AND FIRMS ATTRIBUTES: LESSON FROM SELECTED NIGERIAN DEPOSIT MONEY BANKS

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ABSTRACT

This study examined the effect of International Financial Reporting Standards (IFRS) value relevance on the firm attributes of selected Nigerian Deposit Money Banks. The study employed Market Price per Share (MPS) as the dependent variable, while Earnings per Share (EPS), Book Value per Share (BVPS), Cash Flow per Share (CFPS), Firm Size (FSIZE), and Firm Age (FAGE) served as the explanatory variables. Data were analyzed using Principal Component Analysis (PCA), Pearson Product Moment Correlation, and Ordinary Least Squares (OLS) regression analysis. The Principal Component Analysis revealed that Earnings per Share, Cash Flow per Share, and Firm Age constituted the major components of IFRS value relevance, jointly explaining 71.07% of the total variation among the variables. The correlation analysis showed that Market Price per Share had a strong positive relationship with Earnings per Share ($r = 0.751$) and a moderate positive relationship with Book Value per Share ($r = 0.497$), while weak relationships were observed with Cash Flow per Share ($r = 0.022$), Firm Size ($r = -0.035$), and Firm Age ($r = 0.234$). The regression results indicated that the model explained approximately 96.3% of the variations in Market Price per Share ($R^2 = 0.963$). Earnings per Share ($\beta = 8.3478$, $p < 0.05$) and Book Value per Share ($\beta = 1.1913$, $p < 0.05$) exerted significant positive effects on Market Price per Share, whereas Cash Flow per Share, Firm Size, and Firm Age had positive but statistically insignificant effects. The study concluded that IFRS adoption has enhanced the value relevance of accounting information among selected Nigerian Deposit Money Banks, particularly through improvements in earnings and book value information. It was therefore recommended that bank management should sustain full compliance with IFRS disclosure requirements to improve the credibility and comparability of financial reports.

Keywords: *International Financial Reporting Standards (IFRS), Value Relevance, Earnings Per Share, Book Value , Deposit Money Banks, Nigeria.*

INTRODUCTION

Financial reporting provides useful financial information to investors, creditors, regulators, and other stakeholders for economic decision-making within organizations (Benedict & Elliott,2022). Financial statements are expected to present information that is relevant, reliable, and capable of influencing economic decisions, value relevance reflects the extent to which accounting figures such as earnings and book value are associated with firm market values (Alsarayreh, Altarawneh & Eltweri, 2022). International Financial Reporting Standards (IFRS) enhances comparability and transparency of financial reporting globally and has been widely adopted to replace diverse local accounting frameworks (local GAAPs) in many countries, including Nigeria (Onah & Edeh, 2024).

Prior to the widespread adoption of International Financial Reporting Standards (IFRS), financial reporting practices varied significantly across national boundaries, making it difficult for investors, analysts, and other stakeholders to compare the financial performance and position of companies in different jurisdictions (Titus, 2024). Nigeria adopted International Financial Reporting Standards (IFRS), in phases, with listed companies and Deposit Money Banks (DMBs) mandatorily applying the standards from 1 January 2012. The adoption was aimed at aligning Nigeria's financial reporting system with international best practices, improving transparency, enhancing the credibility of financial statements, and attracting foreign investment (Financial Reporting Council of Nigeria (FRCN), 2011). The banking sector was prioritized due to its importance to the stability and growth of the Nigerian economy.

Fali *et al*, (2023) suggest that high quality accounting standards such as International Financial Reporting Standards (IFRS) enhance the relationship between accounting information and market values (International Accounting Standards Board (IASB), 2023, Beisland, 2021, Barth *et al*., 2021, Oubahou & El Ouafa, 2024). International Financial Reporting Standards (IFRS) is principle-based and emphasizes fair value measurement, detailed disclosure, and economic substance rather than legal form. These characteristics are expected to improve the ability of financial statements to reflect the true economic performance of firms, thereby increasing their value relevance (Imhanzenobe, Vincent, & Aworinde, 2024)

The evidence on the effect of International Financial Reporting Standards (IFRS) adoption on value relevance is however still mixed, particularly in developing countries like Nigeria. While some studies report that International Financial Reporting Standards (IFRS) adoption has improved the value relevance of accounting information (Abubakar, Ndagi & Aliyu, 2022), others find insignificant or inconsistent effects of International Financial Reporting Standards (IFRS) adoption on value relevance (Nwinkonzor & Odoemelam, 2024).

International Financial Reporting Standards (IFRS) adoption was intended to enhance the quality of financial reporting and boost investor confidence, several issues remain unresolved. The literature suggests that International Financial Reporting Standards (IFRS) adoption and value relevance in Nigeria have produced conflicting outcomes, as improvements are observed in some accounting measures after International Financial Reporting Standards (IFRS) adoption, while insignificant or mixed effects are found in the explanatory power of accounting figures such as book value and earnings. (Nwinkonzor & Odoemelam, 2024). More than ten years after the adoption of International Financial Reporting Standards (IFRS) in Nigeria, it is still unclear whether the standards have significantly improved the value relevance of accounting information in the Nigerian banking sector.

In addition, firm specific attributes such as firm size, leverage, and liquidity may affect how investors interpret accounting information and hence its value relevance (Chukwu, Damieibi & Okoye, 2021). Larger firms are often associated with better disclosure practices and stronger governance structures, while leverage and liquidity influence investors' perception of risk and firm value. These attributes therefore influence the relationship between International Financial Reporting Standards (IFRS) adoption and value relevance in Nigerian Deposit Money Banks (Oladapo, Alele, Adejumo & Oke, 2025). Based on these issues, there is a clear gap in the literature regarding the combined effect of International Financial Reporting Standards (IFRS) adoption and firm attributes on the value relevance of accounting information in Nigerian Deposit Money Banks. This study seeks to fill this gap by examining the effect of International Financial Reporting Standards (IFRS) value relevance on firm attributes of selected Nigerian Deposit Money Banks, with particular attention to firm attributes.

Research Hypotheses

H_{01}: There are no significant difference in the components of International Financial Reporting Standards (IFRS) in selected Nigerian Deposit Money Banks.

H_{02}: There is no significant relationship between International Financial Reporting Standards (IFRS) value relevance and firm attributes of selected Nigerian Deposit Money Banks.

H_{03}: International Financial Reporting Standards (IFRS) value relevance does not significantly influence firm attributes of selected Nigerian Deposit Money Banks.

LITERATURE REVIEW AND CONCEPTUAL UNDERPINNING

International Financial Reporting Standard (IFRS)

IFRS is an acronym for International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). IFRS are considered principle-based set of standards, since they establish broad rules as well as dictate specific treatments (Alsarayreh, Altarawneh & Eltweri, 2022). Similarly, the International Accounting Standard Board (IASB) framework states that the objective of financial statements is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions. The objective and importance of introducing IFRS, according to Onah & Edeh, (2024), is to work actively with national setters to bring about the convergence of national accounting standards, designed for adoption by profit oriented entities, requiring that Financial Statements (FS) give a true and fair view of the financial health of entities, develop a single set of high quality understandable and enforceable global accounting standards that requires transparent and comparable information in financial statements thereby enabling participants in various entities across the globe have same understanding of the financial statements so prepared.

Earnings per Share (EPS)

Earnings per Share (EPS) is one of the most widely used accounting measures for evaluating a company's financial performance and value relevance. It represents the portion of a company's profit attributable to each outstanding ordinary share and serves as an important indicator for investors, analysts, and other stakeholders in assessing corporate profitability and investment potential. EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the reporting period. The adoption of International Financial Reporting Standards (IFRS) has enhanced the quality, comparability, and transparency of EPS reporting by providing standardized measurement and disclosure requirements, particularly under IAS 33 Earnings per Share.

Following IFRS adoption, EPS has become increasingly informative because the standards require greater consistency in revenue recognition, expense matching, fair value measurement, impairment testing, and disclosure practices. These improvements reduce information asymmetry between management and investors, thereby increasing confidence in reported earnings. Recent empirical studies have demonstrated that IFRS adoption has strengthened the association between EPS and market prices in many emerging economies by improving financial reporting quality and earnings credibility (Ames, 2022; Hassan & Bello, 2023). Consequently, EPS remains one of the most important indicators of accounting information value relevance in capital market research.

Book Value per Share (BVPS)

Book Value per Share (BVPS) represents the net asset value attributable to each ordinary share of a company after deducting total liabilities from total assets. It is calculated by dividing shareholders' equity by the total number of ordinary shares outstanding. BVPS provides investors with information regarding the intrinsic or liquidation value of a firm's equity and serves as an important measure of financial strength and stability (Iyoha & Oyerinde, 2021).

BVPS within the context of value relevance complements earnings information by reflecting the net resources controlled by a company. While EPS measures profitability, BVPS captures the firm's accumulated wealth and financial position. Investors often rely on BVPS to evaluate whether a company's shares are overvalued or undervalued in the stock market. Under the Ohlson valuation framework, both earnings and book value jointly explain market value because earnings capture future profitability while book value represents the firm's net assets.

Cash Flow per Share (CFPS)

Cash Flow per Share (CFPS) measures the amount of operating cash flow generated for each ordinary share outstanding. It is obtained by dividing net operating cash flow by the weighted average number of ordinary shares. Unlike earnings, which may be influenced by accounting estimates and accruals, CFPS reflects the actual cash generated from business operations and therefore provides investors with a clearer indication of a company's liquidity and ability to sustain future operations (Abata & Migiro, 2022). Cash flow information is particularly important because it indicates whether reported earnings are supported by actual cash inflows. Companies may report high accounting profits while experiencing liquidity challenges due to weak cash generation. Consequently, investors increasingly consider CFPS when assessing corporate financial health, dividend-paying capacity, and long-term sustainability (Adebimpe et al., 2023).

Firm Size

Firm size refers to the overall scale of a company's operations and is commonly measured using the natural logarithm of total assets, total sales, market capitalization, or total equity. In accounting and finance research, firm size is frequently employed as a control variable because larger firms possess characteristics that distinguish them from smaller organizations in terms of financial reporting quality, governance practices, access to capital, and market visibility (Adebiyi & Oladipupo, 2022). Large firms generally attract greater scrutiny from regulators, investors, financial analysts, and auditors, thereby encouraging higher-quality financial reporting and more extensive disclosures. They also possess greater financial and technical resources required for effective implementation of IFRS. Consequently, larger firms are more likely to produce accounting information that is transparent, reliable, and value relevant (Egbunike et al., 2024).

Firm Age

Firm age refers to the number of years a company has been in existence since incorporation or commencement of operations. It reflects organizational maturity, accumulated experience, reputation, and operational stability. Older firms generally possess established reporting systems, stronger corporate governance structures, experienced management teams, and more developed internal control mechanisms, all of which contribute to higher-quality financial reporting (Ofoegbu & Odoemelam, 2021). Firm age influences the value relevance of accounting information because mature firms have established credibility in capital markets. Investors often perceive older companies as more stable and capable of generating sustainable earnings and cash flows. Such firms are also more likely to have successfully adapted to IFRS requirements over time, thereby improving compliance with international reporting standards (Uwuigbe et al., 2023).

Theoretical Framework

Ohlson Valuation Theory (1995) serves as the anchor theory for this study because it directly links accounting information to firm valuation. The theory provides the conceptual basis for examining how earnings per share, book value per share, and cash flow per share explain value relevance under IFRS. Decision Usefulness Theory complements this perspective by emphasizing that financial reporting should provide information useful for economic decision-making. Meanwhile, the Efficient Market Hypothesis explains how the capital market incorporates IFRS-based accounting information into share prices, while Signalling Theory highlights the role of high-quality financial reporting in reducing information asymmetry and improving investor confidence.

Empirical Review

Following the adoption of IFRS, the quality of earnings information has improved through enhanced disclosure requirements, consistent measurement principles, and reduced accounting discretion, thereby increasing the usefulness of EPS in explaining market prices. Ames (2022) examined the value relevance of IFRS-based accounting information using listed firms on the Ghana Stock Exchange. The study employed an ex post facto research design with panel data obtained from the annual reports of 35 listed companies covering the period 2011–2020. Fixed-effects and random-effects regression techniques were employed for data analysis. The findings revealed that earnings per share exerted a positive and statistically significant influence on market share prices, indicating that IFRS adoption enhanced the value relevance of earnings information. The study concluded that investors rely heavily on earnings information when making investment decisions because IFRS improves earnings quality and comparability.

Similarly, Hassan and Bello (2023) investigated the effect of IFRS adoption on the value relevance of accounting information among listed manufacturing companies in Nigeria. Using panel regression analysis on data obtained from 48 firms over the period 2012–2022, the researchers found that earnings per share remained the strongest predictor of market value after IFRS implementation. The study concluded that IFRS significantly improved the credibility and usefulness of earnings information for equity valuation. Likewise, Alfraih (2021) examined IFRS adoption and value relevance in Kuwait using the Ohlson valuation model. The study reported that earnings information became more closely associated with market prices following IFRS adoption, suggesting that improved accounting standards increased investor confidence in reported earnings. Collectively, these studies demonstrate that IFRS enhances the value relevance of earnings per share by improving financial reporting quality and increasing the reliability of earnings information used in investment decision-making.

Iyoha and Oyerinde (2021) examined the value relevance of accounting information among Nigerian listed financial institutions. The study utilized panel data covering the period 2012–2019 and employed ordinary least squares regression based on the Ohlson valuation model. The findings revealed that book value per share had a positive and statistically significant relationship with market value, indicating that investors relied on reported net assets in equity valuation following IFRS adoption. Similarly,

Uwuigbe, Asiriuwa, and Olowookere (2024) investigated the influence of IFRS adoption on accounting quality among Nigerian listed firms. Using panel least squares regression, the study found that IFRS significantly enhanced the value relevance of book value through improved asset recognition, fair value measurement, and disclosure quality.Furthermore, Mousa (2022) examined accounting information value relevance in Middle Eastern capital markets and reported that book value remained a significant determinant of share prices under IFRS, particularly among financial institutions with substantial asset bases. The reviewed studies therefore suggest that IFRS adoption has strengthened the usefulness of book value information by improving the quality of reported equity values. Abata and Migiro (2022) investigated the value relevance of operating cash flows among listed consumer goods firms in Nigeria. Employing panel regression analysis for the period 2011–2021, the study reported that cash flow per share positively influenced market valuation, although its explanatory power was lower than earnings per share. The researchers concluded that investors consider operating cash flows important indicators of liquidity and long-term financial sustainability. Similarly, Adebimpe, Ekwere, and Abiola (2023) examined IFRS adoption and accounting information quality among listed firms in Nigeria. The study employed generalized least squares estimation and found that IFRS improved the disclosure of cash flow information, thereby increasing its relevance for investors' decision-making. In another study, Al-Hares (2021) found that operating cash flows became significantly associated with market values following IFRS implementation because investors regarded cash flows as more reliable indicators of future corporate performance. The reviewed studies indicate that IFRS has enhanced the usefulness of cash flow information by improving reporting transparency and comparability.

Literature Gaps

The empirical literature reviewed shows that considerable attention has been devoted to the value relevance of accounting information following the adoption of International Financial Reporting Standards (IFRS). Studies by Alfraih (2021), Iyoha and Oyerinde (2021), Ames (2022), Abata and Migiro (2022), Hassan and Bello (2023), and Uwuigbe et al. (2024) generally concluded that IFRS adoption improves the quality and value relevance of accounting information by enhancing earnings quality, book value relevance, and financial statement comparability. Despite these contributions, important gaps remain in the literature. Several empirical studies have examined IFRS value relevance in different countries and sectors. For instance, Alfraih (2021) investigated listed firms in Kuwait, while Ames (2022) focused on companies listed on the Ghana Stock Exchange. In Nigeria, Hassan and Bello (2023) examined manufacturing firms, whereas Uwuigbe et al. (2024) investigated listed non-financial companies. However, relatively few studies have concentrated specifically on Deposit Money Banks (DMBs), despite their strategic role in Nigeria's financial system and their early adoption of IFRS. Consequently, evidence regarding the value relevance of IFRS-based accounting information within the Nigerian banking industry remains limited. This study addresses this contextual gap by focusing exclusively on selected Nigerian Deposit Money Banks.

METHODOLOGY

The study was carried out on selected Nigerian Deposit Money Banks with a special focus on eight (8) selected Nigerian Deposit Money Banks using random sampling technique for the selection. The population of the study constituted fourteen (14) Nigerian Deposit Money Banks registered and listed on the floor of the Nigerian Exchange Group (NXG) as specified on its official website as at May, 2025. All secondary data used were extracted from audited annual financial reports of selected Nigerian Deposit Money Banks on Nigerian Exchange Group for the period 2016-2025. Analytical techniques used in the study consist of both descriptive and inferential statistics. Principal Component Analysis (PCA) was used to analysis the f components of International Financial Reporting Standards (IFRS) value relevance in selected Nigerian Deposit Money Banks while Pearson Product Moment Analysis (PPMC) was used to examine the relationship between International Financial Reporting Standards (IFRS) valuation and firm attributes of selected Nigerian Deposit Money Banks. Also, Ordinary Least Square (OLS) analysis was used to determine the extent to which corporate governance practices influence firm value of selected food and beverage manufacturing firms in Nigeria.

Model specifications

Model for this study was adopted from findings in prior studies of Alabdullah (2021) on the effect of International Financial Reporting Standards (IFRS) value relevance on firm attributes of selected Nigerian Deposit Money Banks. This study emphasized all the major dimensions that described the relationship between the identified study variables. Hence, the study employed the following models in relation to each of the research objectives.

In order to identify the components of International Financial Reporting Standards (IFRS) value relevance in selected Nigerian Deposit Money Banks in objective one of the study, this model-equation was designed:

$$FI= \alpha_0+\eta_0\beta_{it}+ \eta_1\beta_1EPS_{it} + \eta_2\beta_2BVPS_{it}+ \eta_3\beta_3CFPS_{it} + \eta_4\beta_4FSIZE_{it} + \eta_4\beta_4FAGE_{it} + \varepsilon_{it} \qquad \text{Eq (3.1)}$$

An assessment of the relationship between International Financial Reporting Standards (IFRS) valuation and firm attributes of selected Nigerian Deposit Money Bank was the focus of model two (2):

Pearson Product Moment Correlation Coefficient was used for data analysis as follows:

$$r = \frac{n\Sigma xy - (\Sigma x)\ (\Sigma y)}{\sqrt{}\ [n\Sigma x2 - (\Sigma x)^2]\ [n\Sigma y2 - (\Sigma y2}} \qquad (3.2)$$

Where:

ΣX = values of the x-variable in a sample

ΣY = values of the y-variable in a sample

ΣX^2 = values of the x-variable in a sample

ΣY^2 = values of the y-variable in a sample

An examination to determine the extent to which International Financial Reporting Standards (IFRS) value relevance influences firm attributes of selected Nigerian Deposit Money Banks in objective three (3), adopted this model:

$$MPS = \alpha_0 + \eta_0\beta_{it} + \eta_1\beta_1 EPS_{it} + \eta_2\beta_2 BVPS_{it} + \eta_3\beta_3 CFPS_{it} + \eta_4\beta_4 FSIZE_{it} + \eta_4\beta_4 FAGE_{it} + \varepsilon_{it} \quad (3.3)$$

Where:

MPS - Market Price per Share
EPS - Earnings per Share
BVPS - Book Value per Share
CFPS - Cash Flow per Share
FSIZE - Firm Size
FAGE - Firm Age
ε_{it} - Error Term
α – Intercept
β, η – Coefficient
Apriori Expectation β_1 β_2……….. β_n>1

Table 1: Summary of Description, Measurement and Sources of Variables Adopted

Variable	Measurement	Source
Market Price per Share (MPS)	Closing market price of the company's ordinary share at the end of the financial year (or three months after the financial year-end, depending on the study design).	Nigerian Exchange Limited (NGX) Factbook; Ohlson (1995); Barth, Beaver, & Landsman (2001)
Earnings per Share (EPS)	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the financial year.	IAS 33 Earnings per Share; Ohlson (1995); Barth et al. (2001); Ames (2022)
Book Value per Share (BVPS)	Total shareholders' equity divided by the number of ordinary shares outstanding at the end of the financial year.	Ohlson (1995); Barth et al. (2001); Iyoha & Oyerinde (2021)
Cash Flow per Share (CFPS)	Net cash flow from operating activities divided by the weighted average number of ordinary shares outstanding.	IAS 7 Statement of Cash Flows; Abata & Migiro (2022); Adebimpe et al. (2023)
Firm Size (FSIZE)	Natural logarithm of total assets (Ln Total Assets).	Hassan & Bello (2023); Uwuigbe et al. (2024); Adebiyi & Oladipupo (2022)
Firm Age (FAGE)	Number of years since the company's incorporation or listing on the Nigerian Exchange.	Ofoegbu & Odoemelam (2021); Uwuigbe et al. (2023)

Source: Author's Compilation, 2025

RESULTS AND DISCUSSION

Result of Principal Component Analysis on the components of International Financial Reporting Standards (IFRS) value relevance in selected Nigerian Deposit Money Banks

The Principal Component Analysis (PCA) results in Table 2 indicate that the five components of IFRS value relevance Earnings per Share (EPS), Book Value per Share (BVPS), Cash Flow per Share (CFPS), Firm Size (FSIZE), and Firm Age (FAGE) are represented by five principal components, with the first three components having eigenvalues greater than one and therefore satisfying the commonly applied Kaiser criterion. The first principal component has the highest eigenvalue and explains the largest proportion of the total variation, with strong positive loadings from FAGE, CFPS, and EPS, indicating that these variables make important contributions to the first dimension of IFRS value relevance. The second component is strongly associated with EPS, BVPS, CFPS, and FSIZE, suggesting that these variables jointly capture another important dimension of value relevance. The third component records strong positive loading for BVPS and a negative loading for FSIZE, indicating an inverse contribution of firm size within this dimension. Collectively, the first three principal components explain approximately 71.07% of the total variation in the five variables, indicating that they provide a substantial representation of the underlying information contained in the IFRS value-relevance measures. The remaining two components account for comparatively smaller proportions of the variation and have eigenvalues below one. Overall, the PCA results suggest that EPS, BVPS, CFPS, firm size, and firm age contain substantial common information and can be represented through a smaller number of underlying components for subsequent analysis of IFRS value relevance among the selected Nigerian Deposit Money Banks.

Table 2: Result of Principal Component Analysis on the components of International Financial Reporting Standards (IFRS) value relevance in selected Nigerian Deposit Money Banks

Eigenvalues: (Sum = 5, Average = 1)

Number	Value	Difference	Proportion	Cumulative Value	Cumulative Proportion
1	1.297230	0.082109	0.2594	1.297230	0.2594
2	1.215121	0.173793	0.2430	2.512351	0.5025
3	1.041328	0.245034	0.2083	3.553679	0.7107
4	0.796295	0.146269	0.1593	4.349974	0.8700
5	0.650026	---	0.1300	5.000000	1.0000

Eigenvectors (loadings):

Variable	PC 1	PC 2	PC 3	PC 4	PC 5
EPS	0.460715	-0.564487	-0.075855	0.455015	0.506265
BVPS	-0.051279	0.502833	0.675682	0.427613	0.324239
CFPS	0.544061	0.434029	-0.156630	-0.538067	0.448963
FSIZE	0.099571	0.490032	-0.642841	0.561748	-0.145425
FAGE	0.692240	0.001331	0.316105	0.070934	-0.644863

Source: Researcher's Computation, 2025

Correlation matrix result on the relationship between International Financial Reporting Standards (IFRS) Value Relevance and firm attributes of selected Nigerian Deposit Money Banks

The correlation matrix in Table 3 indicates that Market Price per Share (MPS), used as the measure of IFRS value relevance, has a strong positive relationship with Earnings per Share (EPS), as reflected by the correlation coefficient of 0.751, suggesting that higher earnings per share are generally associated with higher market prices of shares among the selected Nigerian Deposit Money Banks. MPS also has a moderate positive relationship with Book Value per Share (BVPS), with a correlation of 0.497, indicating that higher book values per share tend to be associated with higher market valuation. However, MPS has a very weak positive relationship with Cash Flow per Share (CFPS) and a very weak negative relationship with Firm Size (FSIZE), suggesting that these firm attributes have little linear association with market price per share. Firm Age (FAGE) has a weak positive relationship with MPS, indicating that older banks tend to have slightly higher market prices, although the association is relatively modest. Among the explanatory variables, EPS has a weak negative relationship with BVPS and CFPS, while its relationship with FAGE is weakly positive. BVPS shows very weak positive relationships with CFPS, FSIZE, and FAGE, while CFPS has weak positive relationships with both FSIZE and FAGE. The relationship between FSIZE and FAGE is almost zero and negative, indicating virtually no linear association between the two variables. The correlation results suggest that EPS and BVPS are the firm attributes most closely associated with IFRS value relevance.

Table 3: Correlation matrix result on the relationship between International Financial Reporting Standards (IFRS) Value Relevance and firm attributes of selected Nigerian Deposit Money Banks

	MPS	EPS	BVPS	CFPS	FSIZE	FAGE
MPS	1.000000	0.750974	0.496653	0.022290	-0.035468	0.233566
EPS		1.000000	-0.167284	-0.007386	-0.070157	0.201323
BVPS			1.000000	0.030206	0.001108	0.065418
CFPS				1.000000	0.150438	0.219120
FSIZE					1.000000	-0.028708
FAGE						1.000000

Source: Researcher's Computation, 2025

Result of OLS regression analysis on the extent to which International Financial Reporting Standards (IFRS) value relevance influences firm attributes of selected Nigerian Deposit Money Banks

The OLS regression results indicate that IFRS value relevance, measured through Market Price per Share (MPS), is strongly explained by the selected firm attributes of Nigerian Deposit Money Banks, as shown by the high explanatory power of the model. Specifically, Earnings per Share (EPS) has a positive and statistically significant influence on MPS, indicating that higher earnings per share are associated with higher market valuation of the banks, while Book Value per Share (BVPS) also has a positive and statistically significant influence on MPS, suggesting that increases in the book value attributable to each share enhance investors' valuation of the banks. In contrast, Cash Flow per Share (CFPS) has a positive but statistically insignificant relationship with MPS, implying that changes in cash flow per share do not significantly explain variations in market price within the sampled banks. Similarly, Firm Size (FSIZE) has a positive but statistically insignificant effect on MPS, indicating that larger banks do not necessarily command significantly higher market prices based on the evidence from the model. Firm Age (FAGE) also exhibits a positive but statistically insignificant relationship with MPS, suggesting that the length of time a bank has operated does not significantly determine its market valuation. Overall, the results demonstrate that EPS and BVPS are the principal firm attributes contributing to the value relevance of IFRS information, while CFPS, firm size, and firm age do not have significant explanatory effects on market price per share in the sampled Nigerian Deposit Money Banks.

Table 4: Result of OLS regression analysis on the extent to which International Financial Reporting Standards (IFRS) value relevance influences firm attributes of selected Nigerian Deposit Money Banks

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-14.35304	9.976990	-1.438614	0.1545
EPS	8.347760	0.226389	36.87356	0.0000
BVPS	1.191293	0.042370	28.11634	0.0000
CFPS	0.006838	0.121642	0.056216	0.9553
FSIZE	0.719787	0.671872	1.071317	0.2875
FAGE	0.027623	0.032430	0.851752	0.3971
R-squared	0.963315	Mean dependent var		116.4590
Adjusted R-squared	0.960836	S.D. dependent var		26.59636
S.E. of regression	5.263363	Akaike info criterion		6.231456
Sum squared resid	2050.021	Schwarz criterion		6.410108
Log likelihood	-243.2582	Hannan-Quinn criter.		6.303083
F-statistic	388.6361	Durbin-Watson stat		1.785340
Prob(F-statistic)	0.000000			

Source: Researcher's Computation, 2025

Discussion of Findings

The findings of this study revealed that the adoption of International Financial Reporting Standards (IFRS) significantly enhances the value relevance of accounting information among selected Nigerian Deposit Money Banks. The results demonstrate that earnings per share (EPS) and book value per share (BVPS) are the most important accounting variables explaining market price per share (MPS), while cash flow per share (CFPS), firm size (FSIZE), and firm age (FAGE) exert positive but statistically insignificant effects on market valuation.

The Principal Component Analysis (PCA) further showed that three principal components accounted for approximately 71.07% of the total variation in the variables, indicating that earnings, book value, cash flows, and firm characteristics jointly explain a substantial proportion of the information contained in IFRS-based financial reports. This suggests that IFRS adoption has improved the quality and usefulness of financial reporting by emphasizing accounting information that is most relevant to investors. These findings are consistent with the objective of IFRS, which seeks to improve transparency, comparability, and decision usefulness of financial statements. Imhanzenobe, Vincent, and Aworinde (2024) similarly found that IFRS adoption significantly improves the value relevance of accounting figures in Nigeria by increasing the association between financial statement information and market prices. Their study concluded that earnings and book values became more informative under the IFRS reporting regime.

The correlation analysis revealed that earnings per share (EPS) has the strongest positive relationship with market price per share ($r = 0.751$), followed by book value per share (BVPS) ($r = 0.497$). These findings indicate that investors rely primarily on profitability and net asset information when valuing listed Deposit Money Banks. This result supports the argument that IFRS enhances investors' confidence by improving the credibility and comparability of earnings and equity information. The finding corroborates the study of Fali et al. (2023), who reported that earnings per share became more value relevant following IFRS adoption among listed Nigerian Deposit Money Banks. Their findings showed that earnings under IFRS possess greater explanatory power for share prices than under the previous Nigerian Generally Accepted Accounting Principles (GAAP), emphasizing that investors assign greater weight to IFRS-based earnings information in making investment decisions.

CONCLUSION AND RECOMMENDATIONS

Based on the empirical findings, the study concludes that International Financial Reporting Standards (IFRS) have significantly enhanced the value relevance of accounting information among selected Nigerian Deposit Money Banks. The evidence indicates that accounting information prepared in accordance with IFRS provides investors with more reliable and decision-useful information for assessing firm value. The study concludes that Earnings per Share (EPS) and Book Value per Share (BVPS) remain the most influential accounting variables affecting market valuation, demonstrating that investors place greater reliance on profitability and equity information when making investment decisions. Conversely, Cash Flow per Share (CFPS), Firm Size (FSIZE), and Firm Age (FAGE) do not significantly influence market value after controlling for earnings and book value, suggesting that firm attributes alone are insufficient to explain variations in investors' valuation decisions. Based on the findings and conclusions of this study, the following recommendations are made:

- Deposit Money Banks should continue to strengthen compliance with IFRS reporting requirements, particularly in the preparation and disclosure of earnings and equity information, since these accounting measures significantly influence investors' valuation decisions.
- Management of Deposit Money Banks should prioritize improving earnings quality and the reliability of book value information through effective financial reporting practices, strong internal controls, and strict adherence to IFRS measurement and disclosure requirements.
- Investors and financial analysts should place greater emphasis on IFRS-based earnings per share and book value per share when evaluating the financial performance and market value of Deposit Money Banks, as these variables have been shown to possess the highest value relevance.
- Bank management should not rely solely on firm characteristics such as size or age to attract investment, but should focus on improving financial performance, earnings sustainability, asset quality, and the credibility of financial reporting, as these factors exert greater influence on market valuation.

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