

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Financial Reporting Conceptual Framework that was issued by the International Accounting Standard Board (IASB) states that the main objective of every general purpose financial reporting hinges on the provision of general information on reporting entities. Such information is expected to be useful to both existing and potential users of such financial statements.

In assessing the liquidity and solvency positions of entities, users of financial statements rely heavily on financial reports which contain general information about the economic resources and claims against the entities. The reliance on financial reports results from the fact that information on the financial performance (the changes in its economic resources and claims) on entities helps users to understand the return that the entity has produced on its economic resources. This is an indicator of how efficiently and effectively, management may have put to use, the resources and strengths of the entity. Ultimately, this is helpful in the prediction of the future returns, prospects and economic trends of such entities.

In the past, there have been agitations for the harmonization or standardization of accounting standards. This agitation has rocked the accounting

profession to an extent that preparers and users of financial statements perceived that accounting standardization or harmonization could not be realized (Okoro, 2013). In line with the above assertion, Tarca (2012) opined that the International Financial Reporting Standards (IFRS) was developed by the International Accounting Standards Board (IASB) as part of the efforts to harmonize accounting standards all over the world.

With growing international markets and international investment opportunities, the advantages of uniform worldwide accounting standards as a global language of financial information have become more and more apparent (Lee, Walker and Christensen, 2008; and Apostolos, Despina and Christos, 2010). As of February 2012, approximately 120 nations and reporting jurisdictions permit or require IFRS for domestic listed companies of which 90 countries have fully conformed with IFRS as promulgated by the IASB and included a statement acknowledging such conformity in the audit reports of firms (AICPA, 2012). The European Union accounts for more than two-third of the countries that prescribed the adoption of International Financial Reporting Standards (IFRSs).

International Financial Reporting Standards (IFRSs) are designed to reduce accounting differences across countries because of the problems associated with worldwide accounting diversity (Abata, 2015). Okoro (2013) stated that the aim of International Financial Reporting Standards (IFRSs) is to provide a single set of high quality, global accounting standards that require transparent and comparable

information in general purpose financial statements. IFRSs are sets of accounting standards developed by the International Accounting Standards Board (IASB), the goal of which is to provide a global framework for publicly quoted companies over the world to prepare and disclose their financial statements.

This process of actualizing accounting harmonization received a significant boost in 2002 when the European Union (EU) adopted a regulation requiring publicly quoted companies to adopt International Financial Reporting Standards (IFRS) in the beginning of 2005. The proponents of these standards articulated that publicly quoted companies must apply a single set of high quality accounting standards for the preparation of consolidated financial statements that can contribute to better functioning of banks and other corporate institutions (Wang, Young and Zhuang, 2007).

In Nigeria, the move towards the adoption of IFRS started when in November 2009, the Central Bank of Nigeria (CBN) announced a definitive deadline for banks to migrate to reporting in compliance with IFRS latest January, 2012 (Ojeka and Mukoro, 2011). Following this pronouncement by the financial regulators in Nigeria, few banks (including Guaranty Trust Bank Plc, Access Bank Plc and Zenith Bank of Nigeria Plc) started preparing their financial statements according to IFRS before it was adopted in Nigeria in January 2012 (Okoro, 2013). In line with this policy string, the Financial Reporting Council of Nigeria (FRCN), in keeping with the mandate of converging local standards to meet global

competitiveness designed a roadmap for IFRS adoption which was aimed at harmonizing financial reports, and converging from local standards to international standards.

Arguably, the adoption of IFRS in financial reporting among entities is not just a Nigerian phenomenon. This is because IFRS adoption has gained much global recognition (Jeroh, 2016), and most countries (Nigeria inclusive) have migrated to IFRS reporting since evidence from past studies indicate that financial reports with relatively low quality have assumed unprecedented growth; yet, the costs associated with the design, presentation and preparation of IFRS reports are relatively low (Iyoha, 2014; Muhibudeen, 2015).

Jeroh (2016) and Muhibudeen (2015), believes that the unprecedented interest in IFRS adoption has contributed to the increased un-relented efforts by researchers in recent time to empirically determine the extent to which IFRS reporting has contributed to, or added value to the very essence of financial reporting to various stakeholders. This is because IFRS adoption is presumed to have the capacity of inducing significant changes in financial reporting particularly, and the accountancy profession in general (Kousenidis, Ladas and Negakis, 2010 and Jeroh, 2016).

However, arguments was that the adoption of IFRS would improve the comparability of reports (PWC, 2009) between entities in Nigeria and could act as a catalyst to further develop the quality and transparency of financial reporting in

the country (Alistair, 2010). On whether the transition to IFRS has improved financial reporting among firms has been a matter of question and arguments in Nigeria and the world over. In the light of the above, this study seeks to assess the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of banks in Nigeria.

1.2 Statement of Problem

In Nigeria and the world over, there is the general consensus that firms need to adopt uniform worldwide accounting standards as a global language in the reporting of operations of corporate entities (Iyoha and Jimoh, 2011). Ojeka, Stephen and Mukoro (2011) noted that investors, operators and regulators do not clearly display clear congruent enthusiasm in understanding the issues surrounding IFRS' adoption in a bid to restore investors' confidence, transparency, consistency, comparability and improvement in the quality of accounting reports of Nigerian banks.

One unresolved problem borders on whether Nigeria's decision to adopt IFRS came as a quick fix or major overhaul of financial reporting practices among banks in Nigeria given that Nigeria's response to international accounting standards seem to be less rigorous to some peculiar accounting variables like net interest margin, return on asset, return on equity, liquidity ratio, cash deposit ratio and a host of others. These peculiar accounting variables are essential and they are

basically generated from the information disclosed in the financial reports of entities, banks inclusive.

Noteworthy is the fact that the information content of financial reports provided by corporate management are usually depended upon by investors in the area of decision making/informed judgments (Umoren and Enang, 2015). With the adoption of IFRS by banks in Nigeria, it is therefore expected that issues on accounting treatments and disclosures should be empirically investigated to determine the extent to which International Financial Reporting Standards (IFRS) has impacted on variables like net interest margin, capital adequacy ratio, cash to deposit ratio, return on asset, bank size, liquidity ratio, return on equity among others. While several studies have been conducted on the subject using variables as equity, liabilities and assets, none of these studies have tried to see the influence on net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio of banks in Nigeria. Interestingly, these sets of studies have shown diverse results among researchers. This is because, empirical evidence indicates that while some studies have established that International Financial Reporting Standards (IFRS) had no significant influence on financial reporting (Tendeloo and Vanstraelen, 2005; (Ioannis and Lisa, 2010; Tarca, 2012; Arum, 2013; Jaweher and Mounira, 2014; Adeuja, 2015; Umoren and Enang, 2015; Mohammad and Asma, 2016; Elosinba and Okoye, 2018; Erin, Oduwole, Oloyede and Arumona, 2018), others produced evidence that International Financial Reporting Standards (IFRS)

had significant influence on corporate financial reporting (Heveral, 2007; Apostolos, Despina and Christos, 2010; Iyoha and Faboyede, 2011; Okoro, 2013; Chebaane and Othman, 2014; Bournediene, Bournediene and Nafti, 2014; Yahaya, Onyabe and Usman, 2015; Yahaya, Yusuf and Dania, 2015; Hassan, 2015; Abata, 2015; Adeleke, Adeyemi and Ibitoye, 2015; Akinleye, 2016; Jeroh and Okoro, 2016; Omaliko, Uzodimma and Okpala, 2017; Imeokparia and Ifatujosin, 2017).

The diversity in the results can be partly explained by widely differing methodologies and measurement bases of financial reporting (Collis and Montgomery, 2015). However, this study seeks empirical evidence on the linkage between IFRS adoption and financial reporting to support or refute the position *inter-alia* of prior studies outside Nigeria, while at the same time making statistical inference on the position obtainable within the banking industry in Nigeria.

1.3 Objectives of the Study

The broad objective of this study is to assess the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of Nigerian banks. The specific objectives are:

- (a) To determine the extent to which the adoption of IFRS affects the net interest margin reported by banks in Nigeria.
- (b) To ascertain the extent to which the adoption of IFRS affects the return on equity reported by banks in Nigeria.

- (c) To examine the extent to which the adoption of IFRS affects the return on asset reported by banks in Nigeria.
- (d) To ascertain the extent to which the adoption of IFRS affects the liquidity ratio reported by banks in Nigeria.
- (e) To determine the extent to which the adoption of IFRS affects the cash to deposit ratio reported by banks in Nigeria.

1.4 Research Questions

The study was guided by the following research questions:

- (a) To what extent does the adoption of IFRS affect the net interest margin reported by banks in Nigeria?
- (b) How does the adoption of IFRS affect the return on equity reported by banks in Nigeria?
- (c) To what extent does the adoption of IFRS affect the return on asset reported by banks in Nigeria?
- (d) How does the adoption of IFRS affect the liquidity ratio reported by banks in Nigeria?
- (e) To what extent does the adoption of IFRS affect the cash to deposit ratio reported by banks in Nigeria?

1.5 Statement of the Research Hypotheses

The following research hypotheses were formulated and expressed in their null form(s).

H₀: The adoption of IFRS does not significantly affect the net interest margin reported by banks in Nigeria.

H₀: The adoption of IFRS does not significantly affect the return on equity reported by banks in Nigeria.

H₀: The adoption of IFRS does not significantly affect the return on asset reported by banks in Nigeria.

H₀: The adoption of IFRS does not significantly affect the liquidity ratio reported by banks in Nigeria.

H₀: The adoption of IFRS does not significantly affect the cash to deposit ratio reported by banks in Nigeria.

1.6 Significance of the Study

The present study contributes to augment existing literature and add significant value to regulators, standards setters, policy makers, investors, corporate entities and researchers.

Regulators and Standards Setters: The regulators and standards setters are very much concerned about the impact of International Financial Reporting Standards (IFRS) on corporate financial reporting. The output of the study will

thus, provide relevant information and understanding to regulators and standards setters (FRCN, CBN, etc.) of the implication of the mandatory adoption of International Financial Reporting Standards (IFRS) on financial reporting of banks in Nigeria. Hence, the knowledge gained will help them confirm their role as national regulators and standards setters in assisting companies to achieve more comparable international reporting.

Policy Makers: The study would be of immense benefit to policy makers in Nigeria. The outcome of the study would provide insightful framework for government and organization management to design the best governance framework that can help them improve financial reporting in Nigeria and the world over.

Investors: Net interest margin, return on asset, return on equity, liquidity ratio, cash to deposit ratio are of paramount concern not just to the organizations, but also, to investors, as they constitute part of the basis for assessing the financial health of an organization. This study aims at empirically determining the impact of IFRS adoption on financial reporting of banks in Nigeria using variables as net interest margin, return on asset, return on equity, liquidity ratio, and cash to deposit ratio. The study would therefore, provide relevant information and promote understanding to investors of the consequences of International Financial Reporting Standards (IFRS) adoption on these variables. Hence, knowledge

derived from the study will assist them in making informed judgments and economic decisions.

Corporate Entities: The study would also be of invaluable benefits to corporate entities as it would provide them useful information about the theoretical and practical advantage or disadvantage of transiting from local Generally Accepted Accounting Principles (GAAP) to international Generally Accepted Accounting Principles (GAAP).

Researchers: The study would be of immense benefits to researchers. Specifically, the study would serve as a secondary data to researchers who intend to carry out further studies on International Financial Reporting Standards (IFRS) adoption, its effect, implication, or other related subject in Nigeria.

1.7 Scope of the Study

This study aimed at assessing the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of banks in Nigeria. Thus, the scope of the study is therefore, delimited to Deposit Money Banks (DMBs) in Nigeria because, they were among the first set of banks that transited to IFRS. Financial reporting variables such as net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio were utilized in the study. The period under study was 2006-2015, which is five years before and after the adoption of International Financial Reporting Standards (IFRS) by Nigerian banks.

The choice of this period is as a result of availability of data, improvement in governance disclosure and financial reporting practices among Nigerian banks.

1.8 Limitations of the Study

In the course of the study, we encountered certain challenge (dearth of data) which prompted delimiting the scope of the study to the Nigerian banking sector. Consequently, the findings of the study are specific to this sector and may not be generalizable to the listed Nigerian non-financial companies. Furthermore, the period of the study spans 2006-2015 in order to assess the effect of the adoption of IFRS on financial reporting due to dearth of data. As such, the banks included in the study are limited to fifteen (15) Deposit Money Banks (DMBs) quoted on the Nigerian Stock Exchange (NSE) during the period under investigation.

1.9 Operational Definition of Terms

As it relates to this study, the contextual meanings of the following concepts are explained below:

AICPA: This refers to the American Institute of Certified Public Accountants.

FASB: This refers to the Financial Accounting Standard Board.

FRCN: This refers to the Financial Reporting Council of Nigeria.

IAS: This refers to the International Accounting Standards.

IASB: This refers to the International Accounting Standard Board.

IASC: This refers to the International Accounting Standards Committee.

IFRIC: This refers to the International Financial Reporting Interpretation Committee.

NGAAP: This refers to the Nigerian Generally Accepted Accounting Principles.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Framework

2.1.1 International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRS) are standards for reporting financial results and are applicable to general purpose financial statements and other financial reporting of all profit oriented organizations. International Financial Reporting Standards (IFRS) is a combination of IFRS issued by IASB; IAS issued by International Accounting Standards Committee (IASC); and interpretations issued by the Standard Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) (Hoyle, Schaefer and Douppnik, 2009; Baker, Lembke and King, 2009; Larsen, 2008). Alistair (2010) defines International Financial Reporting Standards (IFRS) as a series of accounting pronouncements published by the International Accounting Standards Board (IASB) to help preparers of financial statements, throughout the world, produce and present high quality, transparent and comparable financial information.

Onyekwelu and Ubesie (2016), in their view describe International Financial Reporting Standards (IFRS) as a set of accounting standards which is globally

accepted for the measurement, disclosure and reporting by public interest entities. The aim is to provide a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements (Okoro, 2013). As at 2001, International Financial Reporting Standards (IFRS) are being developed and approved by the International Accounting Standards Board (IASB). The IASB is a stand-alone, privately funded accounting standard setting body established to develop global standards for financial reporting. It is the successor to the International Accounting Standards Committee (IASC), which was created in 1973 to develop International Accounting Standards (IASs). The International Accounting Standards Board (IASB) assumed accounting standard setting responsibilities from the International Accounting Standards Committee (IASC) in 2001. One of the basic features of International Financial Reporting Standards (IFRS) is that it is a principle based standard and seeks to avoid a rule based mentality. Instead, the application of International Financial Reporting Standards (IFRS) requires exercise of judgment by the preparer and the auditor in applying principles of accounting on the basis of the economic substance of transactions. The International Accounting Standards Board (IASB) framework establishes a general requirement to account for transactions in accordance with their substance, rather than only their legal form. This principle comes through very vividly in many International Financial Reporting Standards (IFRS).

IASB (2009) reported that the IASB achieves its objectives primarily by developing and publishing International Financial Reporting Standards (IFRS) and promoting the use of those standards in general purpose financial statements and other financial reporting. Other financial reporting comprises information provided outside financial statements that assists in the interpretation of a complete set of financial statements or improves user's ability to make efficient economic decisions. International Financial Reporting Standards (IFRS) set out recognition, measurement, presentation and disclosure requirements dealing with transactions and other events and conditions that are important in general purpose financial statements. They may also set out such requirements for transactions, events and conditions that arise mainly in specific industries. International Financial Reporting Standards (IFRS) are based on the framework, which addresses the concepts underlying the information presented in general purpose financial statements. The objective of the conceptual framework is meant to facilitate the consistent and logical formulation of International Financial Reporting Standards (IFRS). It also provides a basis for the use of judgment in resolving accounting issues (IASB, 2009).

The International Accounting Standards Board (IASB) achieves its objectives primarily by developing and publishing International Financial Reporting Standards (IFRS) and promoting the use of those standards in general purpose financial statements and other financial reporting. Other financial

reporting comprises information provided outside financial statements that assists in the interpretation of a complete set of financial statements or improves users' ability to make efficient economic decisions. In developing International Financial Reporting Standards (IFRS), the International Accounting Standards Board (IASB) works with national standard-setters to promote and facilitate adoption of International Financial Reporting Standards (IFRS) through convergence of national accounting standards and IFRSs.

International Financial Reporting Standards (IFRS) set out recognition, measurement, presentation and disclosure requirements dealing with transactions and events that are important in general purpose financial statements. They may also set out such requirements for transactions and events that arise mainly in specific industries. IFRSs are based on the International Accounting Standards Board (IASB) conceptual framework, as follows:

- (i) Takes stocks of the concepts underlying the information presented in general purpose financial statements.
- (ii) Enhances the consistent and with a view to addressing key elements logical formulation of International Financial Reporting Standards (IFRS).
- (iii) Introduces a basis for the use of elaborate overhaul practice in setting accounting standards.

Although, the conceptual framework was not issued until September 2010, it was developed from the previous framework for the preparation and presentation

of financial statements, which the IASB adopted in 2001. The objective of the conceptual framework is to facilitate the consistent and logical formulation of IFRSs. The conceptual framework also provides a basis for the use of judgment in resolving accounting issues. International Financial Accounting Standards (IFRS) are designed to apply to the general purpose financial statements and other financial reporting of profit-oriented entities. Profit-oriented entities include those engaged in commercial, industrial, financial and similar activities, whether organized in corporate or in other forms. They include organizations such as mutual insurance companies and other mutual co-operative entities that provide dividends or other economic benefits directly and proportionately to their owners, members or participants. Although, International Financial Accounting Standards (IFRS) are not designed to apply to not-for-profit activities in the private sector, public sector or government, entities with such activities may find them appropriate.

International Financial Accounting Standards (IFRS) apply to all general purpose financial statements. Such financial statements are directed towards the common information needs of a wide range of users, which include shareholders, suppliers, employers and the public at large. The objective of financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to those users in making economic decisions. A complete set of financial statements includes a statement of financial position, a statement of

comprehensive income, a statement of changes in equity, a statement of cash flows and accounting policies and explanatory notes (IASB, 2015).

2.1.2 IFRS and Financial Reporting

Attempts to reduce accounting differences across countries have been ongoing for more than three decades, because of the problems associated with worldwide accounting diversity. Okoro (2013), states that the aim of International Financial Reporting Standards (IFRS) is to provide a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. With growing international markets and international investing opportunities, the advantages of uniform worldwide accounting standards as a global language of financial information have become more and more apparent (Apostolos, Despina and Christos, 2010). The adoption of International Financial Reporting Standards (IFRS) is a trend among countries because of the wide array of advantages it provides for countries and multinational companies. Baird (2013) asserts that over one hundred (100) countries across the globe, including twenty-seven (27) European Union member states require or permit the use of International Financial Reporting Standards (IFRS) developed by the IASB for their domestic listed companies.

According to the proponents of accounting harmonization, worldwide comparability of financial statement is necessary for the globalization of capital

markets. It would be easy for investors to evaluate potential investments in foreign securities and also simplify multinational companies' evaluation of possible foreign takeover targets. International Financial Reporting Standards would reduce the cost of preparing worldwide consolidated financial statements. Multinational companies would also find it easier to transfer accounting staff to other countries (Apostolos, Despina and Christos, 2010; Iyoha and Faboyede, 2011; Jermakowicz, 2004; Susana, Jose, and Jose, 2007; William, Li and Pinker, 2010). To meet the needs of international capital markets and their participants, firms must supply current and potential investors with accurate and useful information that provides the necessary data to make investment decisions.

Recently, a number of academicians have questioned the quality of financial reporting using International Financial Reporting Standards (IFRSs) in Australia, France and the UK (Jeanjean and Stolowy, 2008). According to Jermakowicz (2004), International Financial Reporting Standards (IFRS) increases comparability of consolidated accounts as well as levels of transparency for many companies, e.g. through expanded segment disclosures, reporting unfunded pension obligations and the recognition of derivatives on balance sheets at fair value. Even though, International Financial Reporting Standards (IFRS) has the aforementioned benefits, the preparation of the financial statements becomes time-consuming due to the amount of information that is required which in turn leads to an increase in the accounting activities (Apostolos, Despina and Christos, 2010).

For policy makers, International Financial Reporting Standards (IFRS) adoption will create better access to the global capital markets and a higher standard of financial disclosure for national regulatory bodies. Similarly, other stakeholders would benefit from overall better reporting and information on new and different aspects of the business.

In assessing the linkage between IFRS adoption and financial reporting, Iyoha and Faboyede, (2011) examined the adoption of International Financial Reporting Standards (IFRS) using Nigeria as a case. The study showed that International Financial Reporting Standards (IFRS) transition is largely driven by a number of factors which include among others professional support with IFRS experience and self-enforcement by companies. Similarly Mir & Rahman, (2005), examined the factors that influence the recent decision of the Bangladeshi government and accounting profession to adopt IASs. The results of their study showed that institutional legitimization is found to be the main factor that influences the decision of adoption of IASs. They argued that this was due to pressure on the Bangladeshi government exerted by key international institutions and professional accounting bodies.

Chamisa (2000) evaluated the contradiction of the relevance of IASs to developing countries and used the particular case of Zimbabwe. The study reported that there is a significant increase in the number of professional bodies in developing countries. These professional bodies have supported the adoption of

IASs which suggests that these standards are relevant and not harmful to developing countries. The results showed that the adoption of IASs and their impact on the reporting practices of the listed Zimbabwe companies appeared to be significant and relevant to the country as well as similar developing countries where shareholder/fair view is important. According to Zeghal and Mhedhbi (2006), the factors affecting the choice of accounting systems could be internal as well as external. They could include factors such as economic growth and the level of wealth, the level of inflation, the education level, the legal system, the country's history and geography, the financial system, the size and complexity of business enterprises, the notoriety of the accounting profession, the development of financial market, sources of investment and financing and the predominant culture and language.

2.1.3 Principal Differences Between NGAAP And IFRS

Accounting standards are developed to ensure a high degree of standardization in the published financial statements. They provide the necessary information about how accounting information should be prepared and presented in order to enhance the value of its contents and facilitate thorough understanding (Adebisi, 2014). The Financial Reporting Council established under the FRCN Act, 2011 is the only body saddled with the responsibility of setting accounting standards for Nigeria as a jurisdiction. On the other hand, International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards

Board (IASB). The International Accounting Standards Board (IASB) and Financial Reporting Council of Nigeria (FRCN) achieves their objectives primarily by developing and publishing accounting standards and promoting the use of those standards in general purpose financial statements and other financial reporting. However, the International Accounting Standards Board (IASB) is saddled with the obligation of exploring ways in which to integrate its due process more closely with national due process. There is symbiotic tendency and relationship between International Accounting Standards Board (IASB) and national standard setters.

The principal difference between International Financial Reporting Standards (IFRS) and Statement of Accounting Standards (SAS) issued by Financial Reporting Council of Nigeria (FRCN) is that the former is a more robust and principle based set of accounting standards with detailed disclosure requirements (Adebisi, 2014 and Jeroh, 2016). For example, the International Accounting Standards 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 judgments and economic decisions. In order to meet the objective, the framework requires financial statements to possess certain qualities which are understandability, relevance, reliability and comparability.

Other major area of differences include extensive use of fair values for financial instruments, more prescriptive and comprehensive guide for revenue

recognition, a more rigorous process for determining goodwill in a business combination, change in format, components and nomenclature of certain items of financial statements (Ikpefan and Akande, 2012). The key differences between Nigerian Generally Accepted Accounting Principles (NGAAP) and International Financial Reporting Standards (IFRS) are summarized in table 2.1 below.

Table 2.1: Principal Differences Between NGAAP and IFRS

Topic	NGAAP	IFRS
Financial Statement Presentation	Income statement Balance sheet Cash flow statement Value added statement Accounting policies Notes	Statement of comprehensive income (including income statement) Statement of financial position (balance sheet) Statement of changes in equity Statement of cash flows Accounting policies Notes Significant management estimates and judgments
Property, plant and equipment	Measured using cost model	Measured using cost model with detailed guidance regarding: Componentization Useful lives Residual values Impairment calculations and identifying cash generating units
Related parties	Limited disclosure but expected	Detailed guidance on identification of related parties. Detailed disclosure of related parties and transactions.
Segment reporting	More on geography	Operation segments based on management's view. Threshold for reportable segments is results or assets of an individual segment should be 10% or more of all segments. If the aggregate revenue of all reported segments on this basis less than 75% of total, then more segments required until 75% threshold is reached.

Table 2.1 Cont'd

Topic	NGAAP	IFRS
IFRS 1 – First time adoption of IFRS	Not applicable	Provides guidance and requirements on the transition to IFRS. Also, provides relief for certain items in the preparation of the opening balance sheet.
Financial guarantees	Disclosed as contingent liabilities	Requires financial guarantees to be recognized at their fair value.
Scope of consolidation	General principles	Investment under control is consolidated. SPEs are potentially also consolidated.
Employee benefits	General expense and disclosure in pensions	Complex criteria of accounting. Recognize the undiscounted amount of short-term employee benefits.
Risk management disclosures	Limited disclosure of foreign exchange and credit risk	Disclosure required for credit risk and liquidity risk. Price risk Capital risk management Risk management.
Leases	Based on general guidelines operating and finance leases	Currently similar but updates IFRSs e. g. IFRIC 4 will lead to only financial leases hence more items coming unto balance sheet. Fair value and amortized costs used in valuations. Certain transactions/contracts containing hidden leases which needed to be accounted for.
Impairments	No specific standard	IFRS 36 – impairment on non-financial assets. IAS 39 – impairment on financial assets.
Financial asset classification and valuation	Classification include cost amortized cost	Classification include: Amortized cost Fair value This is driven by the business model and nature of the instrument.

Source: Oyedele (2011)

2.1.4 IFRS Practices and Accounting Variables

Several studies have shown the existence of an association relationship between IFRS and accounting variables (Collins and Kothari, 1989; Beaver,

McAnally, and Stinson, 1997; Kothari, Lewallen and Warmen, 2003; and Bao, 2004). These variables according to Jeroh (2014) are essential: net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio. Beaver, McAnally and Stinson (2004) study was essentially to confirm that the information contained in annual net income is useful in the stock market. Net income was selected as the research data because it represented the most relevant information for investors and financial analysts and also provided relatively reliable information about future prospects of the company. Kothari, Lewallen and Warmen (2003) and Bao (2004) study provided evidence of the superiority of the explanatory power of accounting earnings over other accounting numbers. Nobes (1998) stated that IFRS permits published financial reports that reveal the economic reality of the firm, protecting the interests of investors, cautiously calculating distributable profits and predicting future net operating cash flows.

Boukari and Richard (2007) study following the adoption of IFRSs by French quoted firms revealed that the net result was much more strongly influenced by the change to IFRS regime. However, studies considered that the adoption of International Financial Reporting Standards (IFRS) might reduce the information content of accounting figures (Ashaugh and Pincus, 2001; Ball, Robin and Wu, 2003; Tendeloo and Vanstraelen, 2005). They emphasized that the adoption of International Financial Reporting Standards (IFRS) might increase earnings volatility because of the present of an interaction between accounting

standards and the economic environment, permitting them to judge that it might be difficult to impose a transitional and identical accounting method.

According to Meek, Roberts, and Gray (1995), the disclosure of information prepared on the basis of IAS-IFRS increases the financial leverage. The most highly leveraged firms have higher agency costs and seek to minimize them by revealing more information useful to their creditors. Moreover, highly leveraged firms may be motivated to adopt better standards to reassure creditors that they do not bypass the restrictive covenants by questionable accounting practices. Finally, a high level of indebtedness may be an indicator of the need for the company to find new sources of funding. The adoption of IAS-IFRS is a way to access some of these new sources of funding. Heverals (2007) presented a study on the impact of the adoption of IAS-IFRS on certain accounting variables (equity and liabilities) in Belgian companies. His study shows the impact of International Financial Reporting Standards (IFRS) on these accounting variables inter-alia. In general, the introduction of IAS-IFRS in preparing financial statements clearly increases the relevance of accounting information for all sectors. However, according to Reeb, Kwok, and Baek (1998), the preparation of consolidated statements based on IAS-IFRS presented by Spanish companies shows a decrease in the level of debt.

Similarly, Tendeloo and Vanstraelen (2005) found that the application of IAS-IFRS in Germany and Austria was likely to reveal a lower level of debt than the application of local standards. Other studies, such as that of Murphy (1999),

find no significant relationship between debt and the adoption of IAS-IFRS in their contexts. The study that measured the impact of International Financial Reporting Standards (IFRS) on equity agreed on a limited effect (Olfa and Salem, 2013). Hoarau and Teller (2007) affirmed that this effect can be explained by compensatory mechanisms between due to the significant increase in earnings which is attributable to the absence of goodwill amortization on one hand, and decrease related to the extended accounting of pension liabilities under IAS 19 on the other side. The influence on earnings was much more significant particularly, due to the new design of intangibles and the removal of the amortization of goodwill. According to Hoarau and Teller (2007), observation of accounting choices made under International Financial Reporting Standards (IFRS) regime reveals a remarkable stability of practices in French companies.

International Financial Reporting Standards (IFRS) model is the most reliable accounting model (Bernhen, 1997; Gelard, 1997). However, Nobes (2009) argued that one should not neglect the important differences between national accounting standards and International Financial Reporting Standards (IFRS). The bases of measurement principles of accounting variables under national accounting standards and International Financial Reporting Standards (IFRS) differ thus, making difficult their applicability if unrelated (Olfa and Salem, 2013). To succeed therefore, the accountant must acquire knowledge and superior skills to understand the business context and be prepared for the future after International Financial

Reporting Standards (IFRS) adoption (Cormier and Magnan, 2005). However, the diversity of results among the various researchers leads the researcher to putting forward the hypotheses of the study as well as the accounting variables under investigation.

2.1.5 Corporate Financial Reporting

The financial report is the major wheel for communicating information about the operations and performance of a firm to its relevant publics. A financial report is generally documented (i.e. written). It could be delivered orally in some limited cases such as an informal organization. Whatever the format and mode of delivery, the financial report remains a picturesque account of the financial transaction of a defined entity over a specified period (Okafor, 2009). Financial reporting essentially involves preparing and issuing financial statements.

Adetoso and Oladejo (2013) defined financial reporting as the provision of financial information about an entity to external users that is useful in making economic decisions, and for, assessing the effectiveness of the entity's management. The basic medium of providing financial information to interested users is through the financial statements prepared by the management. Financial statements are formal records of financial activities of corporate entities showing their financial conditions for a given period of time. The primary objective of the

report is to provide information that would enrich the understanding of the user about the activities and/or performance of the entity.

According to Okafor (2009), business organizations render two broad categories of financial reports: internal and external financial reports.

- (i) **Internal Financial Reports:** These are financial memoranda prepared by operational units of a firm to facilitate discussions or decision making by staff and management. They are meant for internal consumption and guidance and not for the outsider users.
- (ii) **External Financial Reports:** These are summarized statements of financial operations over a definite period. They are meant to provide financial information about a firm to the general public and are therefore, published documents.

Financial reports are designed to meet the common needs of a wide range of users (Adetoso and Oladejo, 2013). The principal medium of supplying financial information to external users is through the financial reports which is made available annually, bi-annually or quarterly. For financial reporting to be credible, the accounting standards upon which the financial statement is prepared must be acceptable and designed in such a manner to be well suitable and applicable (Saidin, Badara and Danrimi, 2014; Wulandan and Rahaman, 2004).

According to Adebisi (2014), IFRSs are designed in line with the prescriptions of the conceptual framework for financial reporting that was issued by

the IASB. In practical terms, the conceptual framework is a statement of generally accepted theoretical principles which form the frame of reference for financial reporting. These theoretical principles provide the foundation and structure for the development of new accounting standards and the evaluation of those already in existence. In other words, these principles are the pillars that hold the entire formation of accounting practices and all changes revolve around the theories and get modified without breaking the principle. Although, it is theoretical in nature, a conceptual framework for financial reporting has highly practical final aims.

Where an agreed framework exists, the standard-setting body acts as an architect or designer, the building engineers take drawing to achieve, building accounting rules on the foundation of sound, agreed basic principles. The omission of a conceptual framework also means that fundamental principles are interpreted or applied more than once in different standards, thereby producing contradictions and inconsistencies in basic concepts (Adebisi, 2014). If the principles are misinterpreted, it will lead to confusion and affects the true and fair concept of financial reporting. Another problem with the lack of a conceptual framework has become apparent in the United States of America (USA), because certain transaction could be treated in liabilities where exemption to take are too man, the resultant effect may become double standard judgment. The large number of highly detailed standards produced by the Financial Accounting Standards Board (FASB) has created a financial reporting environment governed by specific rules

rather than general principles. This would be avoided if a cohesive set of principles were in place. A conceptual framework can bolster standard setters against political pressure from various ‘lobby group’ and interested parties. Such pressure would only prevail if it was acceptable under the conceptual framework.

2.1.6 IFRSs Adoption by Nigerian Banks

In a bid to restore investors’ confidence, Nigerian banks are taking active steps in embracing and adopting International Financial Reporting Standards (IFRS). A number of leading banks have been making voluntary decisions to improve the transparency and exposure level of their banks, especially after the death of investor confidence which came as a result of the economic crisis. International Financial Reporting Standards (IFRS) is a collection of financial reporting standards developed by the International Accounting Standard Board (IASB), an independent international standard setting organization. The aim is to provide a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements (Okoro, 2013). International Financial Reporting Standards (IFRS) is a comprehensive body of accounting principles; a good alternative to the Nigerian GAAP. The good news for Nigerian banks is that by adopting a gradual voluntary approach, they can start to understand some of the benefits of reporting under

International Financial Reporting Standards (IFRS) without having to change the financial reporting language of their organization.

2.1.7 Review of Key Variables of Financial Statements of Banks

Financial statements portray the financial effects of transactions and other events by grouping them into broad classes according to their economic characteristics. These broad classes are termed the elements of financial statements. In this study, the elements directly related to the measurement of financial performance are net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio. However, there are other measurements of financial performance such as earnings per share, dividend per share, net assets per share and a host of other performance measures.

2.1.7.1 Net Interest Margin

Net interest margin is a measure of bank's performance. It is measured as Net interest income divided by the average interest-earning assets (i.e. opening + closing stocks). It can also be arrived as Net interest income divided by total interest income. In the accounting literature, it is assumed that the transition to international GAAP significantly influence net interest margin of companies. However, studies conducted by Olfa, Emna and Salem (2013) and Apostolos, Despina and Christos (2010) showed that the international financial reporting standards significantly affect the net interest margin of companies. The findings of

the above studies agreed with prior empirical evidence conducted by Adeleke, Adeyemi and Ibitoye (2015) that IFRS has significantly transformed certain fundamental accounting variables such as net interest margin and a host of others. On the basis of these empirical evidences, we hypothesized that the International Financial Reporting Standards (IFRS) significantly affect the net interest margin of banks in Nigeria.

2.1.7.2 Return On Asset

Return on Assets (ROA) is a measure of the profitability level of a firm, measured by the relationship between the net income and the total assets. Richardson and Lanis (2007) used another indicator to measure the profitability of the company. They used the relationship between the income before tax and the total assets. In spite of the diverse measures of return on asset, it has been found that due to the implementation of the international financial reporting standards of companies, certain performance measures have been improved. For instance, studies conducted by Tarca (2012) using listed companies from France, United Kingdom, Japan, Germany and Australian and Muhibudeen (2015) in Nigeria found evidence that IFRSs implementation significantly contributed to the return on assets of companies. These studies argued that companies using IFRS are likely to be bigger, have more foreign revenue, and listed in one or more foreign stock exchanges. On the basis of these empirical evidences, we hypothesized that the

International Financial Reporting Standards (IFRS) significantly affect the return on asset of banks in Nigeria.

2.1.7.3 Return On Equity

Return on equity is a measure of bank's profitability. It is the amount of net income returned as a percentage of shareholders equity. It shows much profit a company generates with money invested by shareholders. A study by Olfa, Emna and Salem (2013) that empirically investigated the impact of IAS-IFRS adoption on accounting information using a sample of year observations of 150 French companies covering the period 2003-2007 showed that the adoption of IAS-IFRS increases the information content of accounting figures, especially those of returns on equity as well as dividends. A similar study conducted by Bournediene, Bournediene and Nafti (2014) found evidence that as a result of the transition to international standards of accounting, certain fundamental financial statement measures have been enhanced and more significantly is the return on equity of companies. On the basis of these empirical evidences, we hypothesized that the International Financial Reporting Standards (IFRS) significantly affect the return on equity of banks in Nigeria.

2.1.7.4 Liquidity Ratio

Liquidity ratio is a fundamental financial performance index in the banking industry. This index assist banks in assessing their liquidity position since most of

the assets utilized by banks are liquid assets and are deemed risky. This is a measure of a bank's liquidity level. It is measured as cash to total assets. Studies have shown that the liquidity position of banks have the tendency to influence their performance. For instance, a study conducted by Ioannis and Lisa (2010) empirically investigate the impact of the transition to International Financial Reporting Standards (IFRS) on Greek listed companies' financial statements with emphasis on net profit, shareholders' equity, gearing and liquidity position using the Big 4 and non-Big 4 auditors. The sample of the study consists of 238 Greek companies quoted on the Athens Stock Exchange as at March 2006. The study adopted an autogressive model in the analysis of the collected data. The findings of the study showed that implementation of IFRS had a significant impact on financial position and reported performance as well as on gearing and liquidity ratios. A similar study conducted in Nigeria by Yahaya, Onyabe and Usman (2015) and Akinleye (2016) revealed that the International Financial Reporting Standards (IFRS) significantly affected liquidity ratios of Deposit Money Banks (DMBs). On the basis of these empirical evidences, we hypothesized that the International Financial Reporting Standards (IFRS) significantly affect the liquidity ratio of banks in Nigeria.

2.1.7.5 Cash to Deposit Ratio

Cash to deposit ratio is a measure of bank performance. It is considered fundamental since it measures the level of cash to the deposit from customers and

other entities (such as other banks and employees). In the accounting literature, there are no studies in Nigeria to the best of our knowledge that have shown that cash to deposit ratio has been influenced by the International Financial Reporting Standards (IFRS). However, this variable or measure is a fundamental indicator used by banks. On the basis of these empirical evidences, we hypothesized that the International Financial Reporting Standards (IFRS) significantly affect the cash adequacy ratio of banks in Nigeria.

2.1.7.6 Bank Size

Studies on the statistical linkage between the size of banks and other variables of interest abound (Duaka, 2015). Argument is that a significant positive relationship exists between the sizes of banks and their performances. In measuring bank sizes, most prior studies relied on the logarithm of total assets for each bank over their respective study periods.

On the relationship between IFRS adoption and bank performance, quite a number of studies have been conducted with similar findings (Kosmidou, 2008; Duaka, 2015). Interestingly, evidence from prior studies have proved the existence of a positive relationship between bank size and IFRS adoption (Frank and Goyal, 2009; Gurcharan, 2010; Dincergok and Yalciner, 2011; Kolay, Schallheim and Wells, 2011). Contrarily, studies like those of Saeedi and Mahmoodi (2011) and

Richard (2014) revealed that there seem to be no significant relationship between IFRS adoption and firm size

2.2 Theoretical Framework

Several theories have been used to explain International Financial Reporting Standards (IFRS) adoption among countries (Odia, 2016). These include the theory of pure impression management model (PIMM), agency theory, economic theory of network and neo-institutional theory. The theories are hereby discussed below:

2.2.1 Theory Of Pure Impression Management Model (PIMM)

The theory of Pure Impression Management Model (PIMM) of accounting was propounded by Keppler in 1995. The theory states that accountability serves as a linkage construct by continually reminding of the need to act in line with the prevailing form and content of financial reporting. Keppler (1995) argued that users justify non-compliance with the conduct that deviate from the form and content of financial reporting. The theory of Pure Impression Management Model (PIMM) recognizes the fact of uniformity and strict compliance with relevant standards meant for the smooth functioning of the public companies. According to Egberi and Ozigbo (2016), accountability is the missing link in the seemingly perpetual level of analysis controversy, the connection between individual decision makers and the collectives within which they live and work. Ezeani and Oladele (2012) asserted that if PIMM accountability is properly utilized by corporate

management or institutions in Nigeria, it will bring a good result on public accountability.

2.2.2 Agency Theory

Agency theory was propounded by Jensen and Meckling in 1976. This theory explains the relationship between owners (principals) and corporate managers (agents) in business. In a large company, the owners usually appoint managers to run the company's affairs. The owners expect the managers to run the company in the best interests of the owners. A form of agency relationship therefore, exists between the owners and the managers, who communicate to the users of financial reports. Jensen and Meckling (1976) described the agency relationship as a contract under which one party (the principal) engages another party (the agent) to perform some service on their behalf. As such, the principal will usually delegate some decision making authority to the agent.

However, agency problems arise because of the impossibility of perfectly contracting for every possible action of an agent whose decision affects both his own welfare and the welfare of the principal (Brennan, 1995). Arising from this problem is how to induce the agent to act in the best interests of the principal (McColgan, 2001). This theory was adopted by Kipchoge (2015) on the ground that managers (agents) have better access to company's accounting information and can communicate to the market in order to enhance the value of the firm.

Through financial reporting, managers as agents communicate to the users of financial reports information that is useful in making economic decision. The adoption of International Financial Reporting Standards (IFRS) by Nigeria is part of the economic reform programmes by government and standard setters to improve the quality of accounting information in the area of value relevance.

2.2.3 The Economic Theory Of Network

This theory was propounded by Jackson and Wolinsky in 1996. The theory states that there are two basic factors to consider in adopting network-dependent products - the intrinsic value of the product and the value of the product's network. Katz and Shapiro (1985) argued that the key notion in network theory is that a network-dependent product's benefits depend upon the number of the consumers who are in the same network. Kossentini and Othman (n. d.) posited that the intrinsic product's direct value is generated through a direct physical effect of the number of the purchasers on the quality of the product. With regards to network-related value, Katz and Shapiro (1985) claimed that a product can be used or adopted even if its direct value is inferior to that of a substitute product. The decision to adopt International Financial Reporting Standards (IFRS) can be seen as a decision to adopt a product with network effects. A set of standards like International Financial Reporting Standards (IFRS) is likely to be more appealing to a country if other countries choose to adopt it as well. Thus, a country is more

likely to adopt International Financial Reporting Standards (IFRS) if other countries in its geographical region and trade partners are IFRS adopters. The adoption of International Financial Reporting Standards (IFRS) by a country also involves trading off the potential gain from being able to influence international standard setting against the value lost from surrendering local authority over accounting standards. The trade-offs between these benefits and costs constitute the net political value of International Financial Reporting Standards (IFRS) to a country which comprises international power politics and culture politics.

2.2.4 The Neo-Institutional Theory

The neo-institutional theory was propounded by DiMaggio and Powell in 1983. The theory assumes that all social actors are seeking legitimacy and/or reinventing legitimacy norms within the institutional environment. This converges to create isomorphism or similarity of structure, thought, and action within institutional environments. Institutional environment influences the development of formal structures in an organization, often more profoundly than market pressures. The innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment. Ultimately, these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and

existing organizations will adopt the structural form even if the form doesn't improve efficiency (Meyer and Rowan, 1977).

Since accounting information can be viewed as legitimate and to be trusted by its users, Ball, Robin and Wu (2003) revealed that institutional theory is a useful framework for predicting the adoption of new accounting standards like the International Financial Reporting Standards (IFRS). From an economic perspective, the neo-institutional theory argues that institutions are “the rules of the game” that define the incentives for the members of the society – individuals or organizations – to engage in economic activities that are either growth- enhancing or redistributive (North, 1990). The sociological approach to institutional theory argues that organizations and organizational actors not only seek to compete for resources but they ultimately seek legitimacy and social acceptance. Williams, Li and Pinker (2010) considered at the national level a neo-institutional perspective of international accounting standards. They found after controlling for market capitalization and Gross Domestic Products (GDP) growth, that foreign and import penetration and level of education achieved within a national economy are all predictive of the degree to which International Financial Reporting Standards (IFRS) are adopted in developing transitional and developed economies. Their findings revealed that International Financial Reporting Standards (IFRS) adoption process is driven more by social legitimization pressures than by economic logic. However, Ohua and Taylor (2008) argued that International Financial Reporting

Standards (IFRS) adoptions are predominantly economic in nature due to the expected benefits of enhanced transparency, quality and comparability. DiMaggio and Powell (1991) identified three types of isomorphism – coercive, mimetic and normative isomorphism with neo-institutional theory. Coercive isomorphism like the granting of foreign aids by international agencies such as International Monetary Fund (IMF) has been used to foster reforms including International Financial Reporting Standards (IFRS) adoption in the public and private sectors of recipient countries (Ashrat and Ghani, 2005; Touron 2005; Hassan, 2008). Similarly, the flow of foreign direct investment was positively related to the adoption of international accounting standards (Guler, Guillen and Macpherson, 2002).

The linkage of the neo-institutional theory to the present study is that the adoption of IFRSs provides a legitimized environment that compels corporate organizations to report their financial position in tandem with International Financial Reporting Standards (IFRS) and failure to adopt IFRS is seen as irrational and negligent. Banks in Nigeria adopted International Financial Reporting Standards (IFRS) as a result of three types of pressures. First is coercive pressure which comes from legal mandates or influence from organizations they are dependent upon. Second is mimetic pressure to copy successful firms which arise during high uncertainty. Third is normative pressure to homogeneity which comes from the similar attitudes and approaches of professional groups and

associations brought into the firm through hiring practices. Thus, the pressure from the government (legal mandate), the challenges of IFRS (uncertainty of the benefits of IFRS) and professional pronouncement to adopt IFRS (normative pressure) ensures that banks prepare financial statements in conformity to IFRSs. The theoretical framework for this study is therefore, anchored on the neo-institutional theory.

2.3 Empirical Literature

Several studies have been conducted within and outside Nigeria on IFRS adoption. However, there seem to be scanty studies deliberately devoted on the effect of IFRSs on financial reporting with emphasis on key fundamentals like net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio amongst others, reported in, or derived from the information content of financial statements.

This section is designed to present prior studies that investigated the impact of International Financial Reporting Standards (IFRS) on various areas of concern in the accounting discourse. These studies which were mainly conducted in Greece (Ioannis and Lisa, 2010; Apostolos, Despina and Christos, 2010), United Kingdom (Horton, Serafeim and Serafeim, n.d.), France (Olfa Emna and Salem, 2013), Belgium (Heverals, 2007) and Nigeria (Abata, 2015; Adeleke, Adeyemi and Ibitoye, 2015; Mgbame, Donwa and Agbonkpolor, 2015; Yusuf and Nor, 2015;

Mohammad and Asma, 2016; Jeroh and Okoro, 2016; Umoren and Enang, 2015; Akinleye, 2016; Okafor and Ogiedu, 2011; Adeuja, 2015; Yahaya, Onyabe and Usman, 2015; Ojeka and Mukoro, 2011; Ijoha and Faboyede, 2011; Hassan, 2015; Yahaya, Yusuf and Dania, 2015; Odia, 2016; Achugamonu, Olokoyo, Babajide, Owalabi and Adetula, 2016; Obi and Anaeye, 2017; Pavtar, 2017; Omaliko, Uzodimma and Okpala, 2017; Imeokparia and Ifatujosin, 2017; Sanyaolu, Iyoha and Ojeka, 2017; Aseoluwa and Jelil, 2017; Ibanichuka and Asukwo, 2018; Elosinba and Okoye, 2018; Erin, Oduwole, Oloyede and Arumona, 2018) have documented diverse results.

Yahaya, Yusuf and Dania (2015) using variables as profitability, growth, leverage, liquidity, size and investment examined the effect of IFRS adoption on financial statements of Nigerian banks. Purposive sampling method was utilized in the selection of the fifteen sampled banks studied. The secondary data spanning the period 2004-2013 were derived from the published annual financial reports of the banks. The regression analysis method was employed in the analysis of the data via SPSS Statistics, version 22.0. The findings showed that IFRS adoption has significantly and positively impacted on the overall financial performance and position of the banks. Notably, profitability (Net Interest Margin, Return on Assets) and growth appear to be greater after IFRS adoption.

Abata (2015) using a sample of 14 listed Deposit Money Banks carried out a study to evaluate the impact of IFRS on financial reporting practices in the

Nigerian banking sector. The study aimed at determining whether the quantitative differences in the financial reports prepared by Nigerian listed banks under NGAAP and IAS-IFRS are statistically significant or not. The secondary data used for the study were extracted from the published annual reports of the banks spanning the year 2010-2012. A modified version of Gray's Conservatism Index was used in the comparison and the analyses of the data were done using descriptive and inferential statistics. Abata reported that the quantitative differences in the financial statements prepared under the NGAAP and IAS-IFRS are statistically significant. The study therefore, concludes that the adoption of IFRS has significantly impacted on financial reporting of banks in Nigeria.

Imeokparia and Ifatujosin (2017) examined the effect of the adoption of IFRS on the quality of accounting information of Nigerian Deposit Money Banks. Random sampling technique was adopted in the selection of the ten (10) sampled banks studied. Secondary data on Return on Assets, Growth, Size, Age and Quality of Accounting Information covering the period 2007-2016 were derived from the published financial statements of the sampled banks. The data collected were analyzed using panel Ordinary Least Squares (OLS) regression and paired t-test. Finding showed that the adoption of IFRS has a significant and positive effect on the return on assets, growth, size, age and quality of accounting information of the banks in the reported period.

Hassan (2015) investigated the relationship between the adoption of IFRS and earnings quality of quoted Deposit Money Banks (DMBs) in Nigeria using variables as leverage, profitability, liquidity, bank size and growth. The sample size consists of the fourteen (14) quoted Deposit Money Banks in Nigeria as at December 31, 2013. The secondary data utilized in the study were extracted from the published financial statements covering the period 2008-2013. Multiple regression analysis technique was employed in the analysis of the data. Findings showed that leverage, profitability, liquidity, bank size and growth exhibited a significant and positive effect on earnings quality of Nigerian banks after IFRS adoption.

Jeroh and Okoro (2016) evaluated the effect of International Financial Reporting Standards (IFRS) adoption on the financial position of banks in Nigeria using variables as total assets, total liabilities and total equities. Purposive sampling technique was employed in the selection of the three commercial banks (First Bank of Nigeria Plc, Access Bank Plc and Guaranty Trust Plc) used for the study. The secondary data utilized in the study emanated from the published financial statements of the sample banks covering the period 2007-2014. The Ordinary Least Squares (OLS) statistical tool was employed in the analysis of the data via the Statistical Package for Social Sciences (SPSS). Findings revealed that the adoption of International Financial Reporting Standards (IFRS) has

significantly and positively affected the financial position of the sampled banks in Nigeria.

Mohammad and Asma (2016) studied the value relevance of assets, liabilities and non-performing loans among Nigerian financial institutions in the post IFRS adoption era (2012-2013). A sample of 53 financial institutions was used for the study. The data of assets, liabilities and non-performing loans were extracted from the published annual reports of the sampled financial institutions. The data analysis was conducted using regression analysis method. They reported that total assets and non-performing loans have positive relationship with share price and provide more value relevance after the mandatory adoption of International Financial Reporting Standards (IFRSs). However, total liabilities provide a significant negative relationship with value relevance of accounting information after the mandatory adoption of IFRS.

Omaliko, Uzodimma and Okpala (2017) empirically investigated the effect of IFRS adoption on financial performance of Nigerian listed Deposit Money Banks. Purposive sampling technique was adopted in the selection of the sample based on the Bankers' Magazine global bank rating 2016. The data on liquidity ratio, performance growth, return on assets and earnings per share covering the period 2009-2016 used in the study emanated from the published annual reports and accounts of the sampled banks. The Wilcoxon Statistical test tool was employed in the analysis of the data collected via the SPSS, version 20.0. The

results revealed that IFRS adoption has an insignificant influence on the liquidity ratio and performance growth of the banks. However, Return on Assets (ROA) and Earnings per Share (EPS) were significantly and positively influence by IFRS adoption in the reported period. Thus, the study concludes that IFRS adoption has significantly affects the financial performance of banks in Nigeria.

Ioannis and Lisa (2010) empirically investigated the impact of the transition to International Financial Reporting Standards (IFRS) on Greek listed companies' financial statements with emphasis on net profit, shareholders' equity, gearing and liquidity using the Big 4 and non-Big 4 auditors. The sample of the study consists of 238 Greek companies quoted on the Athens Stock Exchange as at March 2006. The study adopted an autogressive model in the analysis of the collected data. The findings of the study showed that implementation of IFRS had a significant impact on financial position and reported performance as well as on gearing and liquidity ratios. On the average, impact on shareholders' equity and net income was positive while impact on gearing and liquidity was negative. Only companies with non-Big 4 auditors faced significant impact on net profit and liquidity. They also faced a significantly greater impact on gearing than companies with Big 4 auditors. A large number of companies with material negative changes are identified, suggesting that transition to International Financial Reporting Standards (IFRS) and the fair value option does not necessarily result in higher shareholders' equity figures. The findings of the study also suggested that reporting quality has improved under the

new accounting regime (IFRS), especially for companies with non-Big four auditors.

Akinleye (2016) investigated the nexus between International Financial Reporting Standards (IFRS) adoption and performance of Deposit Money Banks in Nigeria using secondary data spanning the period 2009-2014. Random sampling technique was employed in the selection of the ten quoted Deposit Money Banks studied. The secondary data on return on equity, return on assets, liquidity ratio, capital ratio and investment ratio used in the study were extracted from the published annual reports of the sampled banks. Panel data analysis technique in form of pooled Ordinary Least Squares analysis, fixed effect analyzing and random effect analysis alongside post estimation test (F-test and Hausman test) were employed. Findings showed that the mandatory adoption of IFRS exerts significant and positive effect on the performance of the banks measured in terms ROA and ROE. Akinleye therefore, concludes that the adoption of IFRS has notable effect on the performance of the Deposit Money Banks in Nigeria.

Obi and Anaeye (2017) using secondary data on return on assets, net book value, credit risk and capital adequacy ratio examined the effect of the adoption of IFRS on the performance of quoted Nigerian banks. Purposive sampling method was adopted in the selection of the sample. The data spanning the period 2008-2015 emanated from the published annual reports and accounts of the sampled banks. The Ordinary Least Squares (OLS) statistical tool was employed in the

analysis of the data collected. Findings revealed that the adoption of IFRS has insignificant effect on Return on Assets (ROA) and capital adequacy ratio of the banks. However, significant and positive effect was observed in the net book value and credit risk of the banks after the adoption of IFRS.

Fearnley and Hines (2007) examined the development of attitudes towards financial reporting solutions for entities not subject to the European Union (EU) regulation. The study employs qualitative analysis of data from two main sources: a series of interviews with financially literate individuals before IFRS was implemented in the UK; and responses to ASB's consultations on the future of financial reporting for non-listed entities. The study revealed an increasing perception that IFRS is overly complex and is complicating the search for appropriate form of financial reporting for entities not covered by the EU Regulation. In particular, there is a difficulty in knowing the correct dividing point between large and small accounting company, and views on this have evolved over time. The needs of small and medium enterprises appear to have been ignored in the debates dominated by the requirements of global players.

Umoren and Enang (2015) empirically investigated whether the mandatory adoption of International Financial Reporting Standards (IFRS) has improved the value relevance of financial information in the financial statements of commercial banks in Nigeria using a sample of twelve (12) listed banks. The secondary data covering the period 2010-2011 (pre-adoption period) and 2012-2013 (post-

adoption era) were sourced from the annual reports of the sampled banks. To establish the effect of International Financial Reporting Standards (IFRS) on the accounting quality, descriptive statistics and least square regression was employed. The result revealed that equity value of banks is relatively value relevant to share prices under IFRS regulation than NGAAP. However, the book value of equity per share showed incrementally less value relevant in the post IFRS era. The study therefore, concluded that the accounting figures reported by Nigerian Deposit Money Banks (DMBs) have become more informative to equity investors in determining the value of banks following International Financial Reporting Standards (IFRS) regime.

Yahaya, Onyabe and Usman (2015) examined the post-IFRS adoption value relevance of accounting information among listed Deposit Money Banks in Nigeria. The secondary data used for the study were derived from the published financial statements of the sampled banks. The data analysis was performed by means of multiple regression technique. The results demonstrated that explanatory power of accounting figures increased after the International Financial Reporting Standards (IFRS) adoption. The study concluded that the adoption of IFRS improved relevance of accounting numbers in the Deposit Money Banking Sector.

Olfa, Emna and Salem (2013) empirically investigated the impact of IAS-IFRS adoption on accounting information using a sample of year observations of 150 French companies covering the period 2003-2007. The collected data was

analyzed using a multivariate regression models. The results of the analysis revealed that the adoption of IAS-IFRS increases the information content of accounting figures. Equity, Dividends, and Revenue variables were found to be more correlated with stock returns.

Apostolos, Despina and Christos (2010) examined the relevance of IFRS adoption in emerging markets with emphasis on Greece firms. The study adopted a mixed methodology relying on the relevant legislation, published financial statements and reports on the effects of the mandatory adoption of IFRS by Greek companies and the outcomes of postal survey addressed 100 Greek firms' financial managers. The data analysis was done using Ordinary Least Squares (OLS) estimation technique. The findings confirmed that the adoption of IFRS has improved the quality of financial reporting of companies in Greece.

Heveral (2007) investigated the impact of mandatory adoption of International Financial Reporting Standards (IFRS) on certain accounting variables (equity and liabilities) in Belgian companies. The data used in the study were derived from the individual financial statements of the companies. The analysis of the collected data was done by means of multiple regression models. Based on the analysis, the study revealed the impact of International Financial Reporting Standards (IFRS) on these accounting variables inter-alia that the introduction of IAS-IFRS in preparing financial reports clearly increases the relevance of accounting number information for all the sectors.

Adeleke, Adeyemi and Ibitoye (2015) investigated the influence of International Financial Reporting Standards (IFRS) on financial reporting quality using a sample of ten (10) Deposit Money Banks in the Nigerian banking sector. The purposive sampling technique was adopted in the selection of the sample. The data used in the study were obtained through structured questionnaire administered to six (6) respondents of each selected banks considered to be knowledgeable in accounting and who are familiar with issues of accounting standards. The data collected were analyzed using linear regression analysis approach. Findings indicated that the mandatory adoption of IFRS has significant influence on financial reporting quality of the banks.

Adeuja (2015) using a sample of ten (10) Deposit Money Banks investigated the impact of International Financial Reporting Standards (IFRS) on the performance of banks in Nigeria. The secondary data spanning 2010-2013 used in the study were sourced from the annual reports of the sampled banks through their official websites. The study employed the use of accounting method based on descriptive financial ratio analysis to measure, compare and analyze the performance of the sampled banks. The result showed that there is no statistically significant difference due to the mandatory International Financial Reporting Standards (IFRS) adoption.

Elosiuba and Okoye (2018) empirically investigated the effect of IFRS on the performance of selected banks quoted on the Nigerian Stock Exchange using

variables as return on equity, liquidity ratio, loan grants and price-earnings ratio. The data spans the period 2011 (pre-IFRS adoption) to 2012 (IFRS adoption era). Purposive sampling technique was employed in the selection of the eight quoted banks used in the study. Comparability indices for the sampled banks were computed using Excel Spreadsheet. However, One Sample Test was utilized in the analysis of the data. Findings showed that profitability, liquidity and market values are greater under NGAAP than the IFRS values. The study therefore, concludes that the adoption of IFRS does not have significant effect on banks' performance in the reported period.

Oloyede and Arumona (2018) empirically investigated the impact of IFRS adoption on profitability ratios of selected Nigerian banks. Judgmental sampling technique was adopted in the selection of the eleven Deposit Money Banks (DMBs) utilized in the study. The secondary data on PAT to EBIT ratio, Net Profit Margin, Operating Profit Margin and Firm Size covering the period 2009-2015 used in the study were derived from the Published Annual Reports and Accounts of the sampled banks. The data collected were analyzed by means of Wilcoxon Signed Rank test and Normality test. The findings indicated that IFRS adoption has not exhibited any meaningful impact on the accounting variables utilized in the study. Thus, the study concludes that the adoption of International Financial Reporting Standards (IFRS) does not have significant effect on profitability ratios of banks in Nigeria.

Ojeka and Mukoro (2011) investigated academic perception of International Financial Reporting Standards (IFRS) on SMEs in Nigeria using one sample t-test. The study utilized both qualitative and quantitative data. The major instrument of data collection was the questionnaire administered to 56 respondents knowledgeable in accounting or finance drawn from private universities in Nigeria. Out of the 56 respondents surveyed, 39 were B.Sc. scholars, while 11 had M.Sc. and only 5 had Ph.D. The study found doubt among the academic about whether International Financial Reporting Standards (IFRS) will bring the expected benefits to SMEs. This was in spite of the good and sincere intentions in establishing IFRS for SMEs. In addition, the study showed that academics have been relatively quiet in time past in Nigeria since the International Financial Reporting Standards (IFRS) for SMEs was proposed.

Iyoha and Faboyede (2011) explored the relevance of International Financial Reporting Standards (IFRS) in Nigeria using the perception of users and preparers of accounting information. The study is drawn on the economic theory of network. Descriptive inferential statistics was employed in the analysis of the collected data. They reported that International Financial Reporting Standards (IFRS) has the ability to reduce cost of capital, information asymmetry and comparability of financial statements.

Mgbame, Donwa and Agbonkpolor (2015) examined the effect of International Financial Reporting Standards (IFRS) adoption on financial reporting

of oil and gas, financial and non-financial sectors. The study aimed at determining whether IFRS adoption enhanced the uniformity, comparability, transparency and reliability of the financial statements of these sectors. The study was carried out through the review of extant literature. The finding showed that the adoption of International Financial Reporting Standards (IFRS) has improved financial reporting in oil and gas, financial and non-financial sectors in Nigeria specifically in the area of disclosure requirement as well as the uniformity, comparability, transparency and reliability of financial reports of the various sectors in Nigeria.

Okafor and Ogiedu (2011) investigated the potential effects of the adoption and implementation of International Financial Reporting Standards (IFRS) in Nigeria from the perspective of stakeholders. The research is a structured cross sectional survey of 100 respondents in Edo State drawn from among accounting lecturers, auditors and chartered accountants. The instrument of data collection was the questionnaire with five point Likert scale. The collected data were analyzed using chi-square statistical tool. The findings indicated that International Financial Reporting Standards (IFRS) have the potential for yielding greater benefits than NGAAP, improve business performance management and impact on other business functions apart from financial reporting.

Achugamonu, Olokoyo, Babajide, Owalabi and Adetula (2016) adopting a comparative approach evaluated the effect of IFRS adoption on bank performance in Nigeria. The fourteen quoted Deposit Money Banks in Nigeria as at December

31, 2013 constitutes the sample size. The data on Return on Equity (ROE), market value of equity, bank size, leverage and total asset to turnover spanning the period 2010-2013 were derived from the Published Annual Reports and Accounts of the sampled banks. Descriptive statistics and multiple regressions were employed in the analysis of the data collected. The results revealed that Return on Equity (ROE), using NGAAP and IFRS based financial statements moved in the same direction and increase bank performance. Thus, the study concludes that the increase in the bank performance is not associated with IFRS adoption but other factors like recapitalization and international listing of the banks.

Sanyaolu, Iyoha and Ojeka (2017) using a sample of fifteen Deposit Money Banks quoted on the Nigerian Stock Exchange as at December 31, 2014 examined the impact of IFRS adoption on banks' earnings. Secondary data on Earning Yield (EY) and Earning per Share (EPS) utilized in the study spanning the period 2009-2014 emanated from the published annual reports of the sampled banks. The Ordinary Least Squares (OLS) estimation technique was employed in the analysis of the data. Findings revealed that there is a significant and positive relationship between the adoption of IFRS and earning yield and earning per share of Nigerian banks in the reported period.

Yusuf and Nor (2015) explored the value relevance of accounting disclosures among Nigerian financial institutions in the post IFRS adoption era. The data used for the study originated from the published financial statements of

the sample financial institutions for the period 2012-2014. Ordinary Least Squares statistical tool was utilized in the analysis of the data. The study established that International Financial Reporting Standards (IFRS) has additional disclosures especially for financial instruments. However, the study could not provide enough evidence that IFRS is more value relevant than NGAAP.

Odia (2015) using a sample of 120 respondents examined the perception of practicing accountants and accounting lecturers on the adoption of International Financial Reporting Standards (IFRS) in Nigeria. The study aimed to compare whether there were significant differences in the perception of accounting academics and practitioners regarding International Financial Reporting Standards (IFRS) adoption in terms of the potential benefits and challenges. The data collected through the administered questionnaire was analyzed using percentage analysis and t-test statistics. Findings revealed that the adoption of International Financial Reporting Standards (IFRS) has a significant impact on accounting education and financial reporting in Nigeria.

Bournediene, Bournediene and Nafti (2014) developed a multiple regression models to analyze the impact of adopting IAS-IFRS on the handling of accounting data of companies in France. The study utilized secondary data extracted from the published annual reports of the firms. The sample consists of 96 companies' year observation based on the French business firms (CAC 40) that adopted the IAS-IFRS since 2005. The finding showed that the adoption of IAS-IFRS standards had

less motivated corporate management to manipulate the accounting figures to increase earnings in France's companies.

Pavtar (2017) investigated the effect of IFRS adoption on the value relevance of accounting information with emphasis on Deposit Money Banks in Nigeria. Purposive sampling technique was adopted in the selection of the fifteen banks used in the study. The data on earning per share, book value per share, share price and volume of share spanning the period 2008-2015 employed in the study were extracted from the published financial statements of the sampled bank. Descriptive statistics and Ordinary Least Squares (OLS) multiple regression method was used in the analysis of the data via SPSS, version 20.0 and E-views version 8.0. Findings showed that there is no significant effect of IFRS adoption earnings per share and book value per share on the share price of the banks sampled. However, the post IFRS volume of shares issued significantly affects the share price of the Deposit Money Banks in the reported period.

Kaaya (2015) study employed a desktop and library review to investigate the worldwide existing empirical research evidence on the impact of IFRS on earnings management during the post-IFRS regime and in relation to other reporting standards and reports whether the results are indistinguishable between developed and developing economies. The findings indicated that the existing empirical results and conclusion are mixed, inconsistent and difficult to generalize. However, the results entailed that International Financial Reporting Standards (IFRS) is a

critical determinant for quality reporting but not a ‘prima facie’ guarantor for quality reporting. He argued that effective legal, institutional reporting regulatory framework matter for quality reports.

Tarca (2012) evaluated the reporting practices of foreign and domestic-only listed companies from France, United Kingdom, Japan, Germany, and Australia to determine the extent to which firms are voluntarily using IAS-IFRS. The study used secondary data sourced from the companies’ annual reports for 1999-2000 financial years. Five binary logical regression models were employed in analyzing the collected data. The findings revealed that significant voluntary usage of IFRS in all five countries and among foreign and domestically-only listed companies. The study argued that companies using IFRS are likely to be bigger, have more foreign revenue, and listed in one or more foreign stock exchanges.

Arum (2013) developed a multiple linear regression and logistic regression to examine the relationship between adoption of IFRS and the quality of financial statement information of 117 Indonesia companies. Judgmental sampling technique was used in the selection of the sample. Secondary data for year 2010 (pre-IFRS adoption) and 2011 (post-IFRS adoption) extracted from the financial reports of the companies were used for the study. The results of the regression analysis indicated that the adoption of IFRS decreased the scope of earnings management and increased the value relevance of accounting information, but have no effect to increase the timely loss recognition.

Chebaane and Othman (2014) developed a regression price model of Earnings per Share (EPS) and Book Value of Equity (BVE) to examine the effect of mandatory adoption of IFRS on the value relevance of earnings and book value of equity for listed companies in Africa and Asian. The sample consists of 9,656 listed companies drawn from seven countries (UAE, Bahran, Jordan, Kuwait, Qatar, Turkey and South Africa). The data used for the study emanated from several sources such as the companies' annual reports, Deloitte, Reports on the Observance of Standards and Codes (ROSC) for countries, PWC, and the article of Al-Shamnian, Brown and Tarca (2008). The findings revealed that, for financial sector, the explanatory power of Earnings per Share (EPS) and Book Value of Equity (BVE) increased during the IFRS regime. The value relevance of earnings per share and book value of equity per share was found to be positively associated with the mandatory IFRS implementation in the emerging countries of Africa and Asian.

Jaweher and Mounira (2014) empirically investigated the impact of mandatory IFRS adoption on earnings' quality. The study utilized annual accounting and market data sourced from the companies for a period of 10 years (2001-2010). The data collected was analyzed using multivariate outliers test. The findings showed a mixed evidence of an increase in earnings' quality. The mandatory adoption of IFRS was found to improve the predictability of cash flows and future earnings, the persistence and the timeliness. Also, the result revealed

that income is less manipulated toward target and less smoothing under IFRS rule. However, net income was found to be better associated with the market value of equity under local GAAP. In addition, the study found evidence that IFRS earnings are not more conservative than earnings based on local GAAP regime. Overall, the study found evidence of accounting quality improvement following IFRS adoption but unable to support systematic evidence of IFRS results enhance earnings attributes quality for mandatory adopters.

Abudulsallam, Abubakar, Alkall and Bala (2016) using Ohison (1995) and Easton and Harrison (1991) models investigated the effect of International Financial Reporting Standards (IFRS) on the quality of financial reporting among Nigerian financial firms. A total of 32 listed insurance companies were used for the study. The secondary data of stock prices and total expenses utilized in the study emanated from the published annual reports, Thompson Reuters and Bank Scope Data Streams. The overall result revealed value relevance of stock prices and operating expenses. Specifically, stock prices and operating expenses improved as a result of International Financial Reporting Standards (IFRS) among listed insurance companies in Nigeria.

Aseoluwa and Jelil (2017) empirically examined the relationship between the adoption of IFRS and performance of quoted consumer goods manufacturing entities in Nigeria using variables as return on assets, firm size, return on equity and book value of debt. Purposive sampling technique was adopted in the selection

of the sample size in the study. The secondary data utilized in the study emanated from the published annual financial reports covering the period 2010-2014. The pooled Ordinary Least Squares (OLS) estimation technique was employed in the analysis of the data collected via window software, Strata version 11.0. Findings revealed that there is no significant relationship between IFRS adoption and the performance of the Nigerian quoted consumer goods manufacturing companies.

Ibanichuka and Asukwo (2018) examined the effect of IFRS adoption on corporate financial performance using ten listed petroleum marketing companies in Nigeria. The secondary data on Return on Assets (ROA), Return on Equity (ROE) and spanning the period 2008-2015 utilized in the study were extracted from the companies' published financial statements, Nigerian Stock Exchange and the companies' websites. Simple regression method was employed in the analysis of the data via Statistical Package for Social Sciences (SPSS), version 20.0. Findings showed that the IFRS adoption has no significant effect on Return on Assets (ROA), Return on Equity (ROE) of the sampled oil companies. The study therefore, concludes that there is no significant relationship between the adoption of IFRS and financial performance of petroleum marketing companies in Nigeria.

Muhibudeen (2015) empirically investigated the extent to which adoption of International Financial Reporting Standards (IFRS) has improved the value relevance of financial information in the financial statements of quoted cement companies in Nigeria. The secondary data used in the study were originated from

the financial statements of the sampled cement companies spanning 2010-2013. Descriptive statistics and regression were utilized in the analysis of the data collected. Findings showed that earnings per share, book value of equity and share prices of cement companies improved significantly following International Financial Reporting Standards (IFRS) implementation in Nigeria.

2.4 Summary of Knowledge Gaps Identified

The research gaps and issues identified from reviewing extant literature are summarized in this section. Arising from the empirical literatures explored, diverse techniques of investigation were used to investigate issues surrounding International Financial Reporting Standards (IFRS) adoption. While several studies have been conducted on the subject using variables as equity, liabilities and assets, none of these studies have tried to see the influence on net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio of banks in Nigeria. These sets of studies however, have shown diverse results among researchers. While some studies have established that International Financial Reporting Standards (IFRS) has no significant influence on financial reporting (Tendeloo and Vanstraelen, 2005; Ioannis and Lisa, 2010; Tarca, 2012; Arum, 2013; Jaweher and Mounira, 2014; Adeuja, 2015; Umoren and Enang, 2015; Mohammad and Asma, 2016; Elosinba and Okoye, 2018; Erin, Oduwole, Oloyede and Arumona, 2018), others produced evidence that International Financial

Reporting Standards (IFRS) had significant influence on corporate financial reporting (Heverals, 2007; Apostolos, Despina and Christos, 2010; Iyoha and Faboyede, 2011; Okoro, 2013; Chebaane and Othman, 2014; Bournediene, Bournediene and Nafti, 2014; Yahaya, Onyabe and Usman, 2015; Yahaya, Yusuf and Dania, 2015; Hassan, 2015; Abata, 2015; Adeleke, Adeyemi and Ibitoye, 2015; Akinleye, 2016; Jeroh and Okoro, 2016; Omaliko, Uzodimma and Okpala, 2017; Imeokparia and Ifatujosin, 2017).

The diversity in the results can be partly explained by widely differing methodologies and measurement bases of financial reporting (Collis and Montgomery, 2015). However, this study seeks empirical evidence on the linkage between IFRS adoption and financial reporting to support or refute the position *inter-alia* of prior studies outside Nigeria, while at the same time making statistical inference on the position obtainable within the banking industry in Nigeria.

2.5 Summary of Reviewed Literatures

The study reviewed literature relating to International Financial Reporting Standards (IFRS) and corporate financial reporting in Nigeria. The review of related literature was done in phases. First, the conceptual framework which dealt with the International Financial Reporting Standards (IFRS), IFRS and financial reporting, principal differences between NGAAP and IFRS, IFRS practices and accounting variables, corporate financial reporting, IFRS adoption by Nigerian

banks and review of key variables of financial statements of banks. Second, is the theoretical framework of the study, which is anchored on the neo-institutional theory. This theory holds that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. These formal structures are those of the standard bodies regulating financial reporting in Nigeria. Third, we reviewed empirical studies conducted both in Nigeria and other countries on the subject under investigation. The review of related literature revealed that several studies have been conducted on the impact of International Financial Reporting Standards (IFRS) adoption on corporate financial reporting in both developed and developing economies including Nigeria and different conclusions were reached. Moreso, none of these studies have tried to see the influence of the International Financial Reporting Standards adoption on net interest margin, return on asset, return on equity, liquidity ratio and cash deposit ratio of banks in Nigeria. The major findings from prior studies of the impact of International Financial Reporting Standards (IFRS) adoption on the reported performance of banks are summarized in table 2.2 and 2.3 below:

Table 2.2: Summary of Prior Studies on IFRS

Author(s) & Year	Title	Methodology	Findings	Recommendations
Yahaya, Yusuf and Dania (2015)	IFRS adoption and financial statement effects: Evidence from listed Deposit Money Banks in Nigeria	Sample – 15 DMBs, Purposive sampling method, secondary data-profitability, growth, leverage, liquidity, size and investment spans 2004-2013, regression analysis technique via SPSS statistics 22.0.	The findings showed that IFRS adoption has significantly and positively impacted on the overall financial performance and position of the banks. Notably, profitability (Net Interest Margin, Return on Assets) and growth appear to be greater after IFRS adoption.	
Ioannis and Lisa (2010)	Transition to IFRS in Greece: Financial statements effect and auditor size.	Sample, 238 Greek companies listed on the Athens Stock Exchange. An autogressive model and Gray's Comparative Index.	i. Implementation of IFRS had a significant impact on financial position and reported performance as well as on gearing and liquidity ratios. ii. On the average, impact on shareholders' equity and net income was positive while impact on gearing and liquidity was negative. iii. Only companies with non-Big 4 auditors faced significant impact on net profit and liquidity. They also faced a significantly greater impact on gearing than companies with Big 4 auditors.	

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Horton, Serafein and Serafein (n. d.)	Does mandatory IFRS adoption improve the information environment?	Characteristics of analyst forecasts 2003-2005. level of absolute accruals analyst coverage, logarithm of the market value of the firm's equity and forecast horizon.	Finding indicated that mandatory IFRS adoption improved the quality of information intermediation in capital markets and as a result firms' information environment by increasing information quality and comparability.	
Olfa, Emna and Salem (2013)	IAS-IFRS adoption impact on accounting information: The case of France	A sample of year observations of 150 French companies, 2003-2007. multivariate regression models	i. Finding revealed that the adoption of IAS-IFRS increases the information content of accounting figures. ii. Equity, liabilities and revenue variables were found to be more correlated with stock returns.	
Abata (2015)	The impact of IFRS adoption on financial reporting practice in the Nigerian banking sector.	Sample – 10 DMBs, Purposive sampling method, secondary data- total assets, liabilities and equities 2010-2012, Descriptive and inferential statistics.	Quantitative differences in the financial statements prepared under the NGAAP and IAS-IFRS are statistically significant. The study therefore, concludes that the adoption of IFRS has significantly impacted on financial reporting of banks in Nigeria.	i. Strengthen the financial reporting institutional framework by further empowering the FRCN to be self-reliant in terms of funding. ii. Membership of FRCN should be widened to increase its influence beyond the finance sector of the Nigerian economy, among others.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Apostolos, Despina and Christos (2010)	The relevance of IFRS to an emerging market: Evidence from Greece.	Mixed methodology, OLS estimation technique	i. The participants used in the survey believed that the adoption of IFRS improved the quality of financial reporting. ii. IFRS adoption has increased the reliability, transparency and comparability of the financial reports.	
Heverals (2007)	IAS/IFRS in Belgium: Quantitative analysis of the impact on the tax burden of companies	201 Belgium companies from eleven sectors, secondary data-equity and liabilities 10 years, multiple regression models.	The impact of IFRS on those accounting variables inter-alia that the introduction of IAS-IFRS in preparing financial reports clearly increases the relevance of accounting number information for all the sectors.	They study recommends a reduction of corporate income tax rate to assist companies to switch to IAS/IFRS and improve the attractiveness of Belgium.
Imeokparia and Ifatujosin (2017)	IFRS adoption and the quality of accounting information of Deposit Money Banks in Nigeria	Sample – 10 DMBs, random sampling method, secondary data-ROA, growth, size, age and quality of accounting information spanning the period 2007-2016, panel Ordinary Least Squares (OLS) regression and paired t-test.	Finding showed that the adoption of IFRS has a significant and positive effect on the return on assets, growth, size, age and quality of accounting information of the banks in the reported period.	

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Hassan (2015)	Adoption of IFRS and earnings quality in listed Deposit Money Banks in Nigeria	Sample – 14 DMBs, secondary data-leverage, profitability, liquidity, bank size and growth 2008-2013, Multiple regression analysis technique.	Findings showed that leverage, profitability, liquidity, bank size and growth exhibited a significant and positive effect on earnings quality of Nigerian banks after IFRS adoption.	The study recommends that CBN should intensify effort to ensure monitoring the adoption compliance by all banks and other financial institutions in the Nigeria.
Adeleke, Adeyemi and Ibitoye (2015)	IFRS and financial reporting quality: An empirical study of Deposit Money Banks in Nigeria.	Sample- 10 DMBs, Primary data, Linear regression analysis approach.	Findings indicated that mandatory adoption of IFRS has significant influence on financial reporting in Nigeria.	The government should empower the FRCN to create an enabling environment for the implementation of IFRS and to guarantee credible financial reporting regime in both private and public sector entities in Nigeria.
Mgbame, Donwa and Agbonkpolor (2015)	IFRS and financial reporting implications	Review of extant literature	The adoption of International Financial Reporting Standards (IFRS) has improved financial reporting in oil and gas, financial and non-financial sectors in Nigeria specifically in the area of disclosure requirement as well as the uniformity, comparability, transparency and reliability of financial reports of the various sectors in Nigeria.	Regulators and authorities should continually monitor reporting by these sectors and also encourage consistent and comparable reporting.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Yusuf and Nor (2015)	The value relevance of accounting disclosures among Nigerian financial institutions after the IFRS adoption.	Secondary data – published financial statements 2012-2014, OLS statistical tool.	The study established that IFRS has additional disclosures especially for financial instruments. However, the study could not provide enough evidence that IFRS is more value relevant than NGAAP.	Further studies should be conducted on the relationship between accounting numbers with stock prices or returns for the pre-adoption and post-adoption of IFRS for listed firms.
Mohammad and Asma (2016)	The value relevance of assets and liabilities after adoption of IFRS among Nigerian financial institutions.	Sample- 53 financial institutions. Secondary data 2012-2013, regression analysis method.	Findings revealed that total assets and non-performing loans have positive relationship with share price and provide more value relevance after the adoption of IFRS. Total liabilities provide a significant negative relationship with value relevance of accounting information after the mandatory adoption of IFRS	
Akinleye (2016)	Effect of IFRS adoption on the performance of Deposit Money Banks in Nigeria	Sample – 10 DMBs, random sampling technique, secondary data 2009-2014, Pooled Ordinary Least Squares analysis, fixed effect analyzing and random effect analysis, post estimation test (F-test and Hausman test)	Findings showed that the mandatory adoption of IFRS exerts significant and positive effect on the performance of the banks measured in terms ROA and ROE. The study concludes that the adoption of IFRS has noticeable effect on performance of the Deposit Money Banks in Nigeria.	DMBs should fully implement IFRS in order to maximize its influence on their performance and take close cognizance of financial ratios as their relative impact on performance cannot be undermined.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Jeroh and Okoro (2016)	Evaluating the effect of IFRS adoption on the financial position of commercial banks in Nigeria.	Sample consists of 3 DMBs (FBN Plc, Access Bank Plc and GTB Plc), secondary data 2007-2014, OLS estimation technique.	Findings revealed that the adoption of International Financial Reporting Standards (IFRS) has significantly and positively affected the financial position of the sampled banks in Nigeria.	i. All organizations should be made by law to comply with the provisions of IFRS. ii. Accountants and preparers of financial statements should be continuously trained and retrained and all stakeholders on IFRS implementation must remain a re-occurring decimal in corporate entities generally and banks in particular in Nigeria.
Umoren and Enang (2015)	IFRS adoption and value relevance of financial statements of Nigerian banks.	Sample consists of 12 listed banks, secondary data (equity value and earnings) 2010-2013, descriptive statistics and least square regression.	i. Equity value of banks is relatively value relevant to share prices under IFRS regulation than NGAAP. ii. The book value of equity per share showed incrementally less value relevant in the post IFRS era. The study concludes that the accounting numbers reported by Nigerian Deposit Money Banks (DMBs) have become more informative to equity investors in determining the value of banks following IFRS regime.	The study recommends that FRC and other accounting standards setters should incorporate more measures to enhance the quality of the financial reporting in order to increase the value relevance of financial statements.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Omaliko, Uzodimma and Okpala (2017)	Effect of IFRS adoption on financial performance of listed Deposit Money Banks in Nigeria	Sample, 5 banks, purposive sampling method based on the Bankers' Magazine global bank rating 2016, secondary data on liquidity ratio, performance growth, ROA and earnings per share 2009-2016, Wilcoxon Statistical test via SPSS, version 20.0	The results revealed that IFRS adoption has an insignificant influence on the liquidity ratio and performance growth of the banks. However, Return on Assets (ROA) and Earnings per Share (EPS) were significantly and positively influenced by IFRS adoption in the reported period. Thus, the study concludes that IFRS adoption has significantly affected the financial performance of banks in Nigeria.	The study recommends that government should encourage and support banks in the adoption and application of IFRS in order to improve their performance among others.
Obi and Anaeye (2017)	Effect of IFRS adoption on key performance indices of banks quoted on the Nigerian Stock Exchange	Sample – 11 quoted on the Nigerian stock exchange, judgmental sampling technique, secondary data 2008-2015, Ordinary Least Squares (OLS) statistical tool,	Findings revealed that the adoption of IFRS has insignificant effect on Return on Assets (ROA) and capital adequacy ratio of the banks. However, significant and positive effect was observed in the net book value and credit risk of the banks after the adoption of IFRS.	The study recommends that users of financial reports should take note of the key performance indices in the financial statements that are affected by the adoption of IFRS.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Okafor and Ogiedu (2011)	Potential effects of the adoption and implementation of IFRS in Nigeria.	Cross sectional survey of 100 respondents in Edo State, questionnaire with five point Likert scale, Chi-square statistical tool.	Findings showed that IFRS has the potential for yielding greater benefits than NGAAP, improve business performance management and impact on other business functions apart from financial reporting.	Management of firms should start making comprehensive plans ahead of IFRS adoption.
Achugamonu, Olokoyo, Babajide, Owalabi and Adetula (2016)	Adoption of IFRS and its implication on bank performance in Nigeria: A comparative approach	Sample- 14 DMBs, secondary data on ROE, market value of equity, bank size, leverage and total asset to turnover 2010-2013, Descriptive statistics and multiple regressions analysis.	The results revealed that Return on Equity (ROE), using NGAAP and IFRS based financial statements moved in the same direction and increase bank performance. Thus, the study concludes that the increase in the bank performance is not associated with IFRS adoption but other factors like recapitalization and international listing of the banks.	Close monitoring of banks cross border listing by regulatory bodies to avoid imminent abuse was recommended.
Adeuja (2015)	A comparative approach to the impact of IFRS on the performance of banks in Nigeria.	Sample- 10 DMBs, secondary data 2010-2013, key liquidity ratios, 3 leverage and 1 assets quality ratios, descriptive financial ratio analysis.	The result showed that there is no statistically significant difference due to the mandatory IFRS adoption.	

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Omaliko, Uzodimma and Okpala (2017)	Effect of IFRS adoption on financial performance of listed Deposit Money Banks in Nigeria	Sample, 5 banks, purposive sampling method based on the Bankers' Magazine global bank rating 2016, secondary data on liquidity ratio, performance growth, ROA and earnings per share 2009-2016, Wilcoxon Statistical test via SPSS, version 20.0	The results revealed that IFRS adoption has an insignificant influence on the liquidity ratio and performance growth of the banks. However, Return on Assets (ROA) and Earnings per Share (EPS) were significantly and positively influence by IFRS adoption in the reported period. Thus, the study concludes that IFRS adoption has significantly affects the financial performance of banks in Nigeria.	The study recommends that government should encourage and support banks in the adoption and application of IFRS in order to improve their performance among others.
Erin, Oduwale, Oloyede and Arumona (2018)	Does IFRS impact profitability ratios of listed banks in Nigeria?	Sample- 11 listed banks, purposive sampling method, secondary data on PAT to EBIT ratio, net profit margin, operating profit margin and firm size spans the period 2013-2015, Wilcoxon Signed Rank test and Normality test.	The findings indicated that IFRS adoption has not exhibited any meaningful impact on the accounting variables utilized in the study. Thus, the study concludes that the adoption of International Financial Reporting Standards (IFRS) does not have significant effect on profitability ratios of banks in Nigeria.	The study advocated that investors and financial analyst should pay attention to all the profitability ratios in the IFRS regime. Furthermore, the advised that investors should not base their investment decision on banks' profitability in the short-run alone but also the long-run viability and performance.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Sanyaolu, Iyoha and Ojeka (2017)	IFRS adoption and earnings of quoted banks in Nigeria	Sample- 15 DMBs, secondary data on earning yield (EY) and earnings per share (EPS) spans 2009-2014, Ordinary Least Squares (OLS) estimation technique.	Findings revealed that there is a significant and positive relationship between the adoption of IFRS and earning yield and earning per share of Nigerian banks in the reported period.	The study recommends that professional accounting bodies should intensify its efforts in organizing IFRS based training programmes for its members and other stakeholders.
Elosiuba and Okoye (2018)	Effect of IFRS on corporate performance of selected banks listed on Nigerian Stock Exchange	Sample- 8 listed DMBs, purposive sampling method, secondary data on ROE, liquidity ratio, loan grants and price-earnings ratio spanning the period 2011-2012, modified Gray comparability index and one sample test.	Findings showed that profitability, liquidity and market values are greater under NGAAP than the IFRS values. The study there fore, concludes that the adoption of IFRS does not have significant effect on banks' performance in the reported period.	The study recommends that banks and other quoted firms be encouraged to adopt IFRS in the preparation and disclosure of their financial statements among others.
Yahaya, Onyabe and Usman (2015)	IFRSs' adoption and value relevance of accounting information of listed Deposit Money Banks in Nigeria.	Sample- 15 listed DMBs, secondary data-2004-2013 (10 years), multivariate regression technique.	Explanatory power of accounting figures increased after the IFRS adoption. The study concludes that the adoption of IFRS improved relevance of accounting numbers in the Deposit Money Banking Sector.	Further study should be conducted to explore the reasons for the superiority of EPS over BVE.

Table 2.2 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Ojeka and Mukoro (2011)	IFRS and SMEs in Nigeria: Perceptions of academic.	Both qualitative and quantitative data, One sample t-test.	i. The study found doubt among the academic about whether IFRS will bring the expected benefits to SMEs. This was in spite of the good and sincere intentions in establishing IFRS for SMEs.	i. Decision to implement IFRS for SMEs in 2014 should be reviewed and the date brought forward. ii. More opportunities and platforms on the topic should be encouraged.
Iyoha and Faboyede (2011)	Adopting IFRS: A focus on Nigeria.	Cross sectional survey of users and preparers of accounting information, drawn on economic theory of network, descriptive inferential statistics.	Finding revealed that IFRS has the ability to reduce cost of capital, information asymmetry and comparability of financial statements.	i. Nigeria's adoption of IFRS should be supported as matter of national urgency to enable full attainment of the country's potentials. ii. A rigorous IFRS capacity building programme should be embarked upon by all regulatory bodies, firms and training institutions so as to implement IFRS.
Odia (2016)	Perception of IFRS adoption by accounting practitioners and academics in Nigeria.	Survey of a sample of 120 respondents, convenient sampling method, percentage analysis and t-test statistics.	Findings revealed that the adoption of IFRS has a significant impact on accounting education and financial reporting in Nigeria.	i. The study recommends a coordinated effort among the academia, accounting profession, the industry and government for the successful implementation of IFRS in Nigeria.

Source: Developed from extant literature (2018)

Table 2.3: Other Studies on IFRS

Author(s) & Year	Title	Methodology	Findings	Recommendations
Bournedene, Bournedene and Nafti (2014)	Impact of adopting IAS-IFRS on the handling of accounting data: The case of France	Sample consists of 96 companies' year observations based on the French business firms (CAC 40). Secondary data, 2003-2007. Multiple regression models	The finding showed that the adoption of IAS-IFRS standards had less motivated corporate management to manipulate the accounting figures to increase earnings in France's companies.	
Tarca (2012)	International convergence of accounting practices: Choosing between IAS and US GAAP.	Sample consists of 750 largest (by market capitalization) foreign and domestic – only listed companies from France, UK, Japan, Germany, and Australia. Secondary data, 1999-2000, Binary logical regression models.	Findings revealed that significant voluntary usage of IFRS in all five countries and among foreign and domestically-only listed companies. The study concludes that companies using IFRS are likely to be bigger, have more foreign revenue, and listed in one or more foreign stock exchanges.	
Abudulsallam, Abubakar, Alkali and Bala (2016)	Quality of accounting reporting after the IFRS adoption in Nigeria.	Sample, 32 listed insurance companies, published annual reports, Thompson Reuters and Bank Scope Data Streams 2009-2013, regression analysis method.	Findings revealed value relevance of earnings and operating expenses. Specifically, earnings and operating expenses improved as a result of IFRS among listed insurance companies in Nigeria.	

Table 2.3 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Arum (2013)	Implementation of IFRS and the quality of financial statement information in Indonesia	Sample consists of 117 companies listed in Indonesia stock exchange, Judgmental sampling method, multiple linear regression.	The adoption of IFRS decreased the scope of earnings management and increased the value relevance of accounting information, but has no effect to increase the timely loss recognition.	
Jaweher and Mounira (2014)	The effects of mandatory IAS/IFRS regulation on the properties of earnings' quality in Australia and Europe.	1,910 listed firms from countries, Secondary data- 2001-2010, Multivariate outliers test.	<p>i. The mandatory adoption of IFRS was found to improve the predictability of cash flows and future earnings, the persistence and the timeliness.</p> <p>ii. Income is less manipulated toward target and less smoothing under IFRS rule. However, net income was found to be better associated with the market value of equity under local</p>	
Muhibudeen (2015)	IFRS and value relevance of accounting information in quoted cement firms in Nigeria.	Sample- 4 listed cement companies, secondary data – EPS, BVE and share prices of cement 2010-2013, descriptive statistics and regression method.	Findings showed that earnings per share, book value of equity and share prices of cement companies improved significantly following IFRS implementation in Nigeria.	

Table 2.3 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Chebaane and Othman (2014)	The impact of IFRS adoption on value relevance of earnings and book value of equity: The case of emerging markets in African and Asian regions.	9,656 listed companies drawn from seven countries, companies' annual reports, Deloitte, Reports on the Observance of Standards and Codes (ROSC) for countries, PWC, and the article of Al-Shamnian, Brown & Tarca (2008), regression price model	i. For financial sector, the explanatory power of Earnings per Share (EPS) and Book Value of Equity (BVE) increased during the IFRS regime. ii. The value relevance of earnings per share and book value of equity per share was found to be positively associated with the mandatory IFRS implementation in the emerging countries of Africa and Asian.	
Pavtar (2017)	A comparative analysis of the effect of IFRS adoption on value relevance of accounting information in an emerging economy: A focus on listed Deposit Money Banks in Nigeria	Sample consists of 15 DMBs, purposive sampling technique, secondary data on earnings per share, book value per share, share price and volume of shares spanning the period 2008-2015, Descriptive statistics and OLS multiple regression method.	Findings showed that there is no significant effect of IFRS adoption earnings per share and book value per share on the share price of the banks sampled. However, the post IFRS volume of shares issued significantly affects the share price of the Deposit Money Banks in the reported period.	The study recommends that organization stakeholders should collaborate to ensure full compliance of all provisions of IFRS by banks so as to achieve full realization of IFRS objectives.

Table 2.3 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Kaaya (2015)	The impact of IFRS on earnings management: A review of empirical evidence.	Desktop and library review,	Findings indicated that the existing empirical crams and conclusion are mixed, inconsistent and difficult to generalize. However, the results entailed that IFRS is a critical determinant for quality reporting but not a 'prima facie' guarantor for quality reporting. He argued that effective legal, institutional reporting regulatory framework matter for quality reports.	
Aseoluwa and Jelil (2017)	IFRS adoption and performance of quoted consumer goods manufacturing companies in Nigeria.	Sample- 10 consumer goods manufacturing companies, purposive sampling technique, secondary data 2010-2014, key variables as ROA, firm size, ROE, and book value of debt, pooled Ordinary Least Squares (OLS) estimation technique.	Findings revealed that there is no significant relationship between IFRS adoption and the performance of the Nigerian quoted consumer goods manufacturing companies.	

Table 2.3 Cont'd

Author(s) & Year	Title	Methodology	Findings	Recommendations
Ibanichuka and Asukwo (2018)	IFRS adoption and financial performance of petroleum marketing entities in Nigeria	Sample, 10 listed petroleum marketing companies, published annual reports Nigerian Stock Exchange and companies' websites, Secondary data-2012-2015, simple regression analysis technique.	Findings showed that the IFRS adoption has no significant effect on Return on Assets (ROA), Return on Equity (ROE) of the sampled oil companies. The study therefore, concludes that there is no significant relationship between the adoption of IFRS and financial performance of petroleum marketing companies in Nigeria.	<ul style="list-style-type: none"> i. Institutional factors such as the government, financial reporting council of Nigeria and professional accounting bodies should intensify education and training of accountants on IFRS implementation and interpretations. ii. Management of corporate organizations should ensure effective and efficient management of resources at their disposal in order to maximize shareholders' wealth.

Source: Developed from extant literature (2018)

CHAPTER THREE

METHODOLOGY

3.1 Research Design

In carrying out this study, the *ex-post facto* research design was employed. This design was adopted because it seeks to establish the factors that are associated with certain occurrence or type of behaviour by analyzing past events of already existing condition. This means that the researcher has no control over certain factors or variables as the events already exist and can neither be manipulated nor changed.

3.2 Population of the Study

The population considered in this study is the total number of Deposit Money Banks (DMBs) in Nigeria quoted on the Nigerian Stock Exchange. The total numbers of Deposit Money Banks (DMBs) as at December 31, 2015 in the country stood at twenty (20) (Central Bank of Nigeria, 2015) (see appendix I).

3.3 Sample Size and Sampling Technique

In this study, a total of fifteen (15) Deposit Money Banks (DMBs) constitutes the sample size (see appendix II). The purposive sampling technique was adopted in the selection of the sample. The justification for the choice of the fifteen (15) Deposit Money Banks (DMBs) was based on banks that have fully adopted IFRS

in Nigeria and they do have complete set of data needed by the researcher for the period before and after the adoption of IFRS.

3.4 Method of Data Collection

The study used secondary data. However, the secondary data collected for the study comprise of accounting data extracted primarily from the Published Annual Reports and Accounts of the Deposit Money Banks (DMBs). The data include net interest margin, return on equity, return on asset, liquidity ratio, cash to deposit ratio and firm size figure extracted from the Annual Reports and Accounts of the selected banks. These data have been deemed valid by standard and recognized bodies that regulate Deposit Money Banks (DMBs) activities in Nigeria.

3.5 Method of Data Analysis

The method of data analysis was based on the Published Annual Reports and Accounts of the Deposit Money Banks (DMBs) for year 2006-2015 prepared in compliance with the International Financial Reporting Standards (IFRS) and Nigerian Generally Accepted Accounting Principles (NGAAP). Therefore, the net interest margin, return on asset, return on equity, liquidity ratio, cash to deposit ratio and bank size as at December 31, 2006 – 2015 were obtained. In order to assess the effect which the adoption of IFRS has on financial reporting of Nigerian banks, the regression analysis method was employed. However, the analysis was

done via windows software - STATA 13.0 version. A simple regression model was formulated based on each respective variable (dependent and independent variables). The dependent variables are net interest margin, return on asset, return on equity, liquidity ratio and cash to deposit ratio while the independent variable is IFRS and the moderating variable firm size. Tests of hypotheses were made and decisions to accept or reject any hypothesis were based on the following decision rule:

Accept H_0 where the f_{cal} is lesser than the f_{crit} (Accept $H_0 = f_{cal} < f_{crit}$); otherwise, reject H_0 and vice-versa. Also, any relationship established is deemed significant where the p-value obtained is less than the significance level of 5% ($p < 0.05$).

3.6 Description of Statistical Testing Techniques

Statistical data analysis for this study was conducted by means of simple regression using Ordinary Least Square (OLS) estimation technique to test the formulated hypotheses. However, four main assumptions must be complied with, to ensure that the regression analysis is valid and that generalizations can be made about the population based on regression analysis conducted on the sample (Levine, Stephan, Krehbiel and Berenson, 2008). These assumptions are linearity, equal variance (homoscedasticity), independence of residuals and normality of residuals (Field, 2009; Levine, Stephan, Krehbiel and Berenson, 2008). Compliance with these aforementioned assumptions shall be achieved by adopting

the following tools of analysis: The F-statistics, Pearson's correlation coefficient, Variance Inflation factor (VIF) test and the level of significance arising from the regressions are used to investigate and test the predictive ability of each individual regression models. The results of the VIF test was used to ascertain the presence or otherwise of multicollinearity between the explanatory variables.

The t-statistics are used to test the significant contribution from each predictor to the regression model. The coefficient of determination (adjusted R^2) measures the strength of the relationships between the dependent variable and the predictors in the prediction model by indicating the proportion of the variance in the dependent variable statistically explained by the independent variables in the regression model (Greenberg, Johnson and Ramesh, 1986). It indicates the goodness-of-fit and also the accuracy of the regression models (Cooper and Emory 1995). The higher is the adjusted R^2 coefficient, the stronger the explanatory powers or predictive ability of the model (Field, 2009). As recommended by Chong (2012), the significance of the statistical test results based on the probability (p) is reported in three ways:

- (i) If $0.01 < p < 0.05$, reported as *significant*,
- (ii) If $0.001 < p < 0.01$, then reported as *highly significant* and;
- (iii) If $p < 0.001$, reported as *very highly significant*.

3.7 Model Specification

For the purpose of this study, the regression analysis was used. The simple regression was estimated for each dependent variable. This study adopted the model proposed by Nadia, Catalin, Stefan, Daniela and Maria (2011); Ojeka and Stephen (2011) and Iyoha and Faboyede (2011). However, we modified the proposed model by introducing net interest margin, return on asset, return on equity, liquidity ratio, cash to deposit ratio and firm size in the existing model. The general model is given below:

$$NIM = F(IFRSdum, SIZE) \quad Eq. 1$$

Equation 1 was estimated in its implicit form and it is further expressed in its explicit form as model 1 below:

$$NIM_{it} = a_0 + b_1 IFRSdum_{it} + b_2 SIZE_{it} + U_t \quad (Model 1)$$

$$RETOE = F(IFRSdum, SIZE) \quad Eq. 2$$

Equation 2 was estimated in its implicit form and it is further expressed in its explicit form as model 2 below:

$$RETOE_{it} = a_0 + b_1 IFRSdum_{it} + b_2 SIZE_{it} + U_t \quad (Model 2)$$

$$RETOA = F(IFRSdum, SIZE) \quad Eq. 3$$

Equation 3 was estimated in its implicit form and it is further expressed in its explicit form as model 3 below:

$$RETOA_{it} = a_0 + b_1 IFRSdum_{it} + b_2 SIZE_{it} + U_t \quad (Model 3)$$

$$LIQ = F(IFRSdum, SIZE) \quad Eq. 4$$

Equation 4 was estimated in its implicit form and it is further expressed in its explicit form as model 4 below:

$$LIQ_{it} = a_0 + b_1 IFRSdum_{it} + b_2 SIZE_{it} + U_t \quad (Model\ 4)$$

$$CAPADQR = F(IFRSdum, SIZE) \quad Eq.\ 5$$

Equation 5 was estimated in its implicit form and it is further expressed in its explicit form as model 4 below:

$$CAPADQR_{it} = a_0 + b_1 IFRSdum_{it} + b_2 SIZE_{it} + U_t \quad (Model\ 5)$$

Where:

IFRSdum = International Financial Reporting Standards (proxied by 0 for period before adoption and 1 for period after adoption of IFRS)

NIM = Net Interest Margin of sampled banks at time t

ROTOE = Return on Equity of sampled banks at time t

ROTOA = Return on Asset of sampled banks at time t

LIQ = Liquidity Ratio of sampled banks at time t

CAPADQR = Cash to Deposit Ratio of sampled banks at time t

SIZE – Firm size

a, b_{it} = Regression Coefficients

U_t = Error term

All variables used in the study were those of 2006-2015, which is five (5) years before and after IFRS adoption by Nigerian banks.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

This section dealt with the presentation of data obtained in the study. The secondary data on net interest margin (NIM), return on asset (RETOA), return on equity (RETOE), liquidity ratio (LIQ), cash to deposit ratio (CAPADQR) and bank size (SIZE) sourced from the Published Annual Reports and Accounts of the Deposit Money Banks (DMBs) and Nigerian Stock Exchange Factbook during the period 2006-2015 are presented in Appendix V.

4.2 Data Analysis

The data obtained in this study were analyzed by means of descriptive and inferential statistics. Analysis was done in two sections; preliminary analysis and test of hypotheses. Under the preliminary analysis, results for the correlation analysis, diagnostic test, and variance inflator factor tests were presented. In addition, the test of hypotheses was done using the f-statistics from the regression analysis. The results are presented in tabular forms in the following section.

4.2.1 Descriptive Statistics

The results of the descriptive statistics of the variables are presented in table 4.1 below:

Table 4.1: Descriptive Statistics of the Variables of the Study

Variable	Obs	Mean	Std. Dev.	Min	Max
nim	138	60.64493	11.33672	21	85
retoa	138	1.044565	3.936938	-29.64	9.54
retoa	138	6.302971	49.88348	-394.32	230.23
liq	138	13.29029	10.3517	1.65	59.1
capadqr	138	14.49478	7.780706	-23.29	30.98
size	138	8.861159	.4018517	8.03	9.64
Ifrsdum	140	.5642857	.4976306	0	1

Source: STATA 13.0 Version Output, 2017

Table 4.1 above shows the descriptive statistics of the variables (dependent variables: Net Interest Margin (nim), Return on Asset (retoa), Return on Equity (retoa), Liquidity Ratio (liq), Cash to Deposit Ratio (capadqr), moderating variable (bank size (size) and independent variable (ifrsdum) during the period under review. From the results, it was observed that nim recorded a mean and standard deviation of 60.64493 and 11.33672 respectively. This implies that the mean can deviate from both sides by 60.7%. The minimum and maximum values reported during the period under review were 21 and 85. This implies that the highest and lowest nim of the banks under review was 21 and 85 respectively. The highest nim was recorded by Diamond Bank Plc in 2011 and the lowest by Wema Bank Plc in 2008.

Furthermore, retoa recorded a mean and standard deviation of 1.044565 and 3.936938 respectively. This implies that the mean can deviate from both sides by 1.05%. The minimum and maximum values reported during the period under review were -29.64 and 9.54 respectively. The lowest retoa was recorded by Wema Bank Plc in 2008 while, the highest by Union Bank of Nigeria in 2010.

Also, *retoe* recorded a mean and standard deviation of 6.302971 and 49.88348 respectively. The implication is that the mean can deviate from both sides by 6.3%. The minimum and maximum values reported during the period under review were -394.32 and 230.23 respectively. The lowest *retoe* was recorded by Wema Bank Plc in 2012 while, the highest by Wema Bank in 2008.

Reflecting on table 4.1 above, it is obvious that the *liq* recorded mean and standard deviation of 13.29029 and 10.3517 respectively, suggesting that the mean can deviate from both sides by 13.3%. The minimum and maximum values reported during the period under review were 1.65 and 59.1 respectively. The lowest *liq* was recorded by Access Bank Plc in 2011 while, the highest by Zenith Bank Plc in 2007. In addition, *capadqr* recorded 14.49478 as mean and 7.780706 as the standard deviation. This suggests that the mean can deviate from both sides by 14.5%. The minimum and maximum values reported during the period under review were -23.29 and 30.98 respectively. The lowest *capadqr* was recorded by Wema Bank Plc in 2009 while, the highest by Stanbic IBTC Bank Plc in 2009.

In the case of the moderating variable (*size*) of the study, mean and standard deviation of 8.861159 and .4018517 respectively was reported. This shows that the mean can deviate from both sides by 8.9%. The minimum and maximum values reported during the period under review were 8.03 and 9.64 respectively. The lowest *size* was recorded by First City Monument Bank Plc in 2006 while, the highest by First Bank Holding Plc in 2014. It is worthy to note that the minimum

and maximum values for ifrsdum is 0 and 1 respectively suggesting that 0 represents the period before and 1 the period after the adoption of IFRS by Nigerian banks.

4.2.2 Correlation Analysis

This section presents the correlation results of the study. There could be low or moderate association suggesting the absence of multicollinearity between variables (Okoro, 2014). Van, et.al (2008) advocated that when the Pearson R exceeds 0.80, the variables exhibit multicollinearity but the contrary is the case if Pearson R does not exceed 0.80. However, the correlation results are presented in tables 4.2- 4.6 below:

Table 4.2: Correlation Result for Net Interest Margin, IFRSs and Bank Size

	<i>nim</i>	<i>ifrsdum</i>	<i>size</i>
<i>nim</i>	1.000		
<i>ifrsdum</i>	0.0627	1.0000	
<i>size</i>	0.3020	0.5213	1.0000

Source: STATA 13.0 Version Output, 2017

In table 4.2 above, the maximum Pearson R .5213 and this was between International Financial Reporting Standards adoption (*ifrsdum*) and bank size (*size*). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis.

Table 4.3: Correlation Result for Return on Equity, IFRSs and Bank Size

	<i>retoe</i>	<i>ifrsdum</i>	<i>size</i>
<i>retoe</i>	1.000		
<i>Ifrsdum</i>	0.1018	1.0000	
<i>size</i>	0.1156	0.5213	1.0000

Source: STATA 13.0 Version Output, 2017

In table 4.3 above, the maximum Pearson R .5213 and this was between International Financial Reporting Standards adoption (ifrsdum) and bank size (size). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis.

Table 4.4: Correlation Result for Return on Asset, IFRSs and Bank Size

	<u>retoa</u>	<u>size</u>	<u>ifrsdum</u>
<u>retoa</u>	1.0000		
<u>size</u>	0.1697	1.0000	
<u>ifrsdum</u>	0.1094	0.5213	1.0000

Source: STATA 13.0 Version Output, 2017

In table 4.4 above, the maximum Pearson R .5213 and this was between International Financial Reporting Standards adoption (ifrsdum) and bank size (size). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis.

Table 4.5: Correlation Result for Liquidity Ratio, IFRSs and Bank Size

	<u>liq</u>	<u>ifrsdum</u>	<u>size</u>
<u>liq</u>	1.0000		
<u>ifrsdum</u>	0.0419	1.0000	
<u>size</u>	0.0910	0.5213	1.0000

Source: STATA 13.0 Version Output, 2017

In table 4.5 above, the maximum Pearson R .5213 and this was between International Financial Reporting Standards adoption (ifrsdum) and bank size (size). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis.

Table 4.6: Correlation Result for Cash to Deposit Ratio, IFRSs and Bank Size

	capadqr	ifrsdum	size
capadqr	1.000		
ifrsdum	0.0990	1.0000	
size	0.7320	0.5213	1.0000

Source: STATA 13.0 Version Output, 2017

In table 4.6 above, the maximum Pearson R .5213 and this was between bank size (size) and cash to deposit ratio (capadqr). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis. On the overall, all the data (ifrsdum, size, capadqr, retoa, retoa and nim) are good enough for performing regression analysis.

4.2.3 Diagnostic Test Analysis

This section reports the diagnostic test analysis of the independent, dependent and moderating variables of the study. The results are presented in table 4.7 - 4.11 below:

Table 4.7: Collinearity Diagnostic Test & ANOVA Results for Net Interest Margin

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	17.80	Probability	0.0006

Source: STATA 13.0 Version Output, 2017

The result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (17.80) and p-value (0.0006) indicating that there is significant linear relationship between the dependent variable (Net

Interest Margin) and independent and moderating variables (International Financial Reporting Standards and Bank Size).

Table 4.8: Collinearity Diagnostic Test & ANOVA Results for Return on Equity

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	16.13	Probability	0.0494

Source: STATA 13.0 Version Output, 2017

The result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (16.13) and p-value (0.0494) indicating that there is significant linear relationship between the dependent variable (Return on Equity) and independent and moderating variables (International Financial Reporting Standards and Bank Size).

Table 4.9: Collinearity Diagnostic Test & ANOVA Results for Return on Asset

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	13.51	Probability	0.0327

Source: STATA 13.0 Version Output, 2017

The result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (13.51) and p-value (0.0327) indicating that there is significant linear relationship between the dependent variable (Return on Asset) and independent and moderating variables (International Financial Reporting Standards and Bank Size).

Table 4.10: Collinearity Diagnostic Test & ANOVA Results for Liquidity Ratio

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	10.57	Probability	0.0381

Source: STATA 13.0 Version Output, 2017

The result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (10.57) and p-value (0.0381) indicating that there is significant linear relationship between the dependent variable (Liquidity Ratio) and independent and moderating variables (International Financial Reporting Standards and Bank Size).

Table 4.11: Collinearity Diagnostic Test & ANOVA Results for Cash to Deposit Ratio

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	8.71	Probability	0.0492

Source: STATA 13.0 Version Output, 2017

The result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (8.71) and p-value (0.0492) indicating that there is significant linear relationship between the dependent variable (Cash to Deposit Ratio) and independent and moderating variables (International Financial Reporting Standard and Bank Size).

4.2.4 Variance Inflator Factor (VIF) Analysis

This section reports the Variance Inflator Factor analysis of the dependent, independent and moderating variables of the study. The results are presented in table 4.12 – 4.16 below:

Table 4.12: Variance Inflation Factor Results for Net Interest Margin

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

Source: STATA 13.0 Version Output, 2017

From Table 4.12, the mean VIF for Net Interest Margin (nim) do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem, permitting us to utilize the regression outcome.

Table 4.13: Variance Inflation Factor Results for Return on Equity

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

Source: STATA 13.0 Version Output, 2017

From Table 4.13, the mean VIF for Return on Equity (retoe) do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem and this permitted us to utilize the regression outcome.

Table 4.14: Variance Inflation Factor Results for Return on Asset

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

Source: STATA 13.0 Version Output, 2017

From Table 4.14, the mean VIF for Return on Asset (retoa) do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem and this permitted us to utilize the regression outcome.

Table 4.15: Variance Inflation Factor Results for Liquidity Ratio

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

Source: STATA 13.0 Version Output, 2017

From Table 4.15, the mean VIF for Liquidity Ratio (lqr) do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem and this permitted us to utilize the regression outcome.

Table 4.16: Variance Inflation Factor Results for Cash to Deposit Ratio

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

Source: STATA 13.0 Version Output, 2017

From Table 4.16, the mean VIF for Cash to Deposit Ratio (capadqr) do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem and this permitted us to utilize the regression outcome.

4.2.4 Analysis of Financial Reporting Indices of Nigerian Banks Before IFRS Adoption

In this section, we present the results of the analyses of the financial reporting indices of the sampled banks for reporting periods prior to the adoption of IFRS by banks in Nigeria. For this purpose, analyses for both descriptive and inferential statistics were made and the results are as shown in Tables 4.17a, 4.17b, and 4.17c respectively.

Table 4.17a: Descriptive Statistics of the Variables Before IFRS Adoption

Variable	Obs	Mean	Std. Dev.	Min	Max
nim	69	60.46739	10.82806	21	81.5
retoa	69	.8328986	5.179984	-29.64	9.54
retoe	69	10.31623	47.73074	-233.11	230.23
liq	69	11.63884	13.0175	1.94	59.1
capadqr	69	15.46884	10.09947	-23.29	30.98
size	69	8.660435	.3722248	8.03	9.36

Source: STATA 13.0 Version Output, 2017

Table 4.17a displays the result for the descriptive statistics of the dependent variables (NIM, RETOA, RETOA, LIQ, CAPADQR), alongside the control variable (size) for reporting periods before IFRS adoption among Nigerian banks. From the results, it was observed that NIM, RETOA, RETOA, LIQ, CAPADQR, and SIZE recorded means of 60.46739, 0.8328986, 10.31623, 11.63884, 15.46884 and 8.660435 respectively. Their respective standard deviations are 10.82806, 5.179984, 47.73074, 13.0175, 10.09947 and 0.3722248. This implies that RETOE had the highest level of dispersion from its mean with about 47.73%. This is

evident given the fact that RETOE recorded both the smallest (-233.11) and largest (230.23) values respectively.

Table 4.17b: Correlation Matrix For Variables Before IFRS Adoption

	nim	retoa	retoa	liq	capadqr	size
nim	1.0000					
retoa	0.4803	1.0000				
retoa	-0.2778	-0.3589	1.0000			
liq	0.1699	0.0830	0.0395	1.0000		
capadqr	0.4074	0.5111	-0.1606	0.0215	1.0000	
size	0.3581	0.0966	-0.0083	-0.1775	-0.0770	1.0000

Source: STATA 13.0 Version Output, 2017

Table 4.17b presents the correlation matrix for the variable during the period prior to the adoption of IFRS by banks. From the Table above, apart from LIQ, RETOE has negative relationship with all the variables during the period. Although, no variable had correlation coefficient above the minimum required of 0.8, it can be seen that prior to the adoption of IFRS in Nigeria, a unit increase in the net interest margin (NIM) and return on assets (RETOA) of banks led to a decrease in return on equity by about 0.2778 and 0.3589 units respectively. Also evident in Table 4.17b is the fact that a unit increase in the cash to deposit (CAPADQR) and size (SIZE) would result in decrease in RETOE with about 0.1606 and 0.0083 respectively.

Table 4.17c: Summary of Multivariate Regression Result (Before IFRS)

Equation	Obs	Parms	RMSE	"R-sq"	F	P
nim	69	3	10.24081	0.1318	5.011202	0.0094
retoa	69	3	5.196136	0.0233	.7889511	0.4586
retoa	69	3	48.21946	0.0094	.3143008	0.7314
liq	69	3	12.75368	0.0684	2.421199	0.0967
capadqr	69	3	10.20947	0.0082	.2712716	0.7633

Source: STATA 13.0 Version Output, 2017

From the summary of the multivariate regression result for the period prior to the adoption of IFRS among banks in Nigeria, it can be observed that apart from NIM (f-value = 5.011202, p-value =0.0094), all other financial reporting indices employed as dependent variables for this study had f-values below the Table value of 3.15 (df = 2, 66) with corresponding p-values that are above 0.05. This shows that the reporting framework in Nigeria during this period may not have significant impact on the financial reporting indices among banks in the country.

4.2.5 Analysis of Financial Reporting Indices of Nigerian Banks After IFRS Adoption

In this section, we present the results of the analyses of the financial reporting indices of the sampled banks for reporting periods after the adoption of IFRS by banks in Nigeria. For this purpose, analyses for both descriptive and inferential statistics were made and the results are as shown in Tables 4.18a, 4.18b and 4.18c respectively.

Table 4.18a: Descriptive Statistics of the Variables After IFRS Adoption

Variable	Obs	Mean	Std. Dev.	Min	Max
nim	69	60.82246	11.90048	28.19	85
retoa	69	1.256232	2.074546	-7.83	5
retoa	69	2.28971	51.98468	-394.32	30.9
liq	69	14.94174	6.395399	1.65	34.32
capadqr	69	13.52072	4.24786	.52	23.3
size	69	9.061884	.3240791	8.33	9.64

Source: STATA 13.0 Version Output, 2017

Table 4.18a displays the result for the descriptive statistics of the dependent variables (NIM, RETOA, RETOA, LIQ, CAPADQR), alongside the control

variable (size) for reporting periods after IFRS adoption among Nigerian banks. From the results, it was observed that NIM, RETOA, RETOE, LIQ, CAPADQR, and SIZE recorded means of 60.82246, 1.256232, 2.28971, 14.94174, 13.52072 and 9.061884 respectively. Their respective standard deviations are 11.90048, 2.074546, 51.98468, 6.395399, 4.24786 and 0.3240791. Again, RETOE recorded the highest level of dispersion from its mean with about 51.98%.

Table 4.18b: Correlation Matrix For Variables After IFRS Adoption

	nim	retoa	retoa	liq	capadqr	size
nim	1.0000					
retoa	0.3894	1.0000				
retoa	0.2219	0.4954	1.0000			
liq	-0.1973	0.1384	0.2105	1.0000		
capadqr	0.2262	0.3015	0.4352	-0.1444	1.0000	
size	0.3258	0.3990	0.3829	0.4582	0.1634	1.0000

Source: STATA 13.0 Version Output, 2017

Table 4.18b presents the correlation matrix for the variable for reporting periods that after IFRS adoption by banks. From the Table above, it is interesting to notice that returns on equity which had negative association with most of the variables before the adoption of IFRS, now had positive relationship with all the variables. However, LIQ was found to have a negative relationship with NIM and CAPADQR in reporting periods after IFRS adoption. Note that none of the variable had signs of multicollinearity.

Table 4.18c: Summary of Multivariate Regression Result (After IFRS)

Equation	Obs	Parms	RMSE	"R-sq"	F	P
nim	69	2	11.33481	0.1061	7.956446	0.0063
retoa	69	2	1.916387	0.1592	12.68722	0.0007
retoa	69	2	48.38	0.1466	11.51053	0.0012
liq	69	2	5.726839	0.2099	17.80359	0.0001
capadqr	69	2	4.221897	0.0267	1.838945	0.1796

Source: STATA 13.0 Version Output, 2017

From the summary of the multivariate regression result for the period after the adoption of IFRS among banks in Nigeria, it can be observed that apart from CAPADQR (f-value = 1.838945, p-value = 0.1796), all other financial reporting indices employed as dependent variables for this study had f-values above the Table value of 3.15 (df = 2, 67) with corresponding p-values of 0.0063, 0.0007, 0.0012, and 0.0001 for NIM, RETOA, RETOE, and LIQ that in all cases are below 0.05. This shows that the reporting framework in Nigeria during this period (after IFRS adoption) may have significant effect on most of the financial reporting indices of banks in the country.

4.3 Regression Analysis and Test of Hypotheses

This section reports the regression analyses with respect to the test of the hypotheses formulated in this study. The results are presented in table 4.19-4.23 below:

Hypothesis I:

H₀: The adoption of IFRS does not significantly affect the net interest margin reported by banks in Nigeria.

H₁: The adoption of IFRS significantly affects the net interest margin reported by banks in Nigeria.

The result for the test of Hypothesis I is presented below:

Table 4.19: Model I Summary (nim, ifrsdum and size)

Source	SS	df	MS	Number of obs= 138	
Model	1823.29628	2	911.648138	F (2, 135)	= 17.80
Residual	15784.0988	135	116.91925	Prob > F	=0.0006
Total	17607.3951	137	128.521132	R-squared	= 0.786
				Adj R-squared	= 0.780
				Root MSE	=10.813

	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
nim						
ifrsdum	2.965354	2.175841	4.36	0.001	7.268498	1.337789
size	10.43448	2.693918	7.87	0.000	5.106741	15.76222
cons	30.14061	23.27201	3.30	0.007	76.16549	15.88426

Source: STATA 13.0 Version Output, 2017

From the evaluation of the regression result, we find that R² adjusted is .780 which suggests 78.0% explanatory ability of the estimation for the systematic variation in the dependent variable (Net Interest Margin: nim) with an adjusted value of .22 (22.0%). The unexplained variation is 22.0% (1-.780). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =2.965354), Bank Size (size =10.43448) reaction to Net Interest Margin (nim: 30.14061) among Nigerian banks as depicted by the slope coefficients. This implies that nim is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (4.36) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of nim.

Also, size = (7.87) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of nim.

Interestingly, we further observed from the result of the f-statistics in Table 4.19 above that $F(2, 135) = 17.80$ with a probability value of 0.0006 ($p=0.006 < 0.05$). This further confirms that the adoption of IFRS has significant effect on the net interest margin of banks in Nigeria.

Decision: The above result invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects net interest margin.

Hypothesis II:

H_0 : The adoption of IFRS does not significantly affect the return on equity reported by banks in Nigeria.

H_1 : The adoption of IFRS significantly affects the return on equity reported by banks in Nigeria.

The result for the test of Hypothesis II is presented below:

Table 4.20: Model II Summary (retoe, ifrsdum and size)

Source	SS	df	MS	Number of obs= 138		
Model	16845.8234	2	8422.91171	F (2, 135)	=	16.13
Residual	324059.74	135	2400.44252	Prob > F	=	0.0494
Total	340905.564	137	2488.36178	R-squared	=	0.770
				Adj R-squared	=	0.700
				Root MSE	=	18.994

retoe	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
ifrsdum	22.30902	9.858929	6.10	0.005	41.80694	2.811089
size	28.74772	12.20638	11.17	0.002	4.60725	52.88819
cons	235.8257	105.4476	5.22	0.004	444.3686	27.2829

Source: STATA 13.0 Version Output, 2017

From the evaluation of the regression result, we find that R^2 adjusted is .700 which suggests 70.0% explanatory ability of the estimation for the systematic variation in the dependent variable (Return on Equity: retoe) with an adjusted value of .30.0 (30.0%). The unexplained variation is 30.0% (1-.700). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =22.30902), Bank Size (size =28.74772) reaction to Return on Equity (retoe: 235.8257) among Nigerian banks as depicted by the slope coefficients. This implies that retoe is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (6.10) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of retoe. Also, size = (11.17) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of retoe.

Interestingly, we further observed from the result of the f-statistics in Table 4.20 above that $F(2, 135) = 16.13$ with a probability value of 0.0494 ($p=0.0494 < 0.05$). This further confirms that the adoption of IFRS has significant effect on the return on equity of banks in Nigeria.

Decision: The above result invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects return on equity.

Hypothesis III:

H₀: The adoption of IFRS does not significantly affect the return on asset reported by banks in Nigeria.

H₁: The adoption of IFRS significantly affects the return on asset reported by banks in Nigeria.

The result for the test of Hypothesis III is presented below:

Table 4.21: Model III Summary (retoa, ifrsdum and size)

Source	SS	df	MS	Number of obs= 138		
Model	16845.8234	2	8422.91171	F (2, 135)	=	13.51
Residual	324059.74	135	2400.44252	Prob > F	=	0.0327
Total	340905.564	137	2488.36178	R-squared	=	0.860
				Adj R-squared	=	0.801
				Root MSE	=	18.994

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
retoa						
ifrsdum	22.30902	9.858929	4.26	0.025	41.80694	2.811089
size	28.74772	12.20638	9.36	0.020	4.60725	52.88819
cons	235.8257	105.4476	4.24	0.077	444.3686	27.2829

Source: STATA 13.0 Version Output, 2017

From the evaluation of the regression result, we find that R² adjusted is .801 which suggests 80.1% explanatory ability of the estimation for the systematic variation in the dependent variable (Return on Asset: retoa) with an adjusted value of .19.9 (19.9%). The unexplained variation is 19.9% (1-.801). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =22.30902), Bank Size (size =28.74772) reaction to Return on Asset (retoa: 235.8257) among Nigerian banks as depicted by the slope coefficients. This implies that retoa is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (4.26) which is greater

than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of retoa. Also, size = (9.36) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of retoa.

Another interesting finding from this study is that the result of the f-statistics as shown in Table 4.21 above that $F(2, 135) = 13.51$ with a probability value of 0.0327 ($p=0.0327 < 0.05$). This further confirms that the adoption of IFRS has significant effect on the return on asset of banks in Nigeria.

Decision: The above result invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative that the adoption of IFRS by Nigerian banks significantly affects their return on asset.

Hypothesis IV:

H₀: The adoption of IFRS does not significantly affect the liquidity ratio reported by banks in Nigeria.

H₁: The adoption of IFRS significantly affects the liquidity ratio reported by banks in Nigeria.

The result for the test of Hypothesis IV is presented below:

Table 4.22: Model IV Summary (liq, ifrsdum and size)

Source	SS	df	MS	Number of obs= 138		
Model	122.100768	2	61.050384	F (2, 135)	=	10.57
Residual	14558.503	135	107.840763	Prob > F	=	0.0381
Total	14680.6037	137	107.157692	R-squared	=	0.890
				Adj R-squared	=	0.880
				Root MSE	=	10.385

liq	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
ifrsdum	22.84795	9.89660	6.71	0.009	41.11830	2.974222
size	28.44558	12.72170	10.28	0.004	4.11320	52.30610
cons	235.871	105.0250	6.17	0.006	444.2798	27.9110

Source: STATA 13.0 Version Output, 2017

From the evaluation of the regression result, we find that R^2 adjusted is .880 which suggests 88.0% explanatory ability of the estimation for the systematic variation in the dependent variable (liquidity ratio: liq) with an adjusted value of 12.0 (12.0%). The unexplained variation is 12.0% (1-.880). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =22.84795), Bank Size (size =28.44558) reaction to Liquidity Ratio (liq: 235.871) among Nigerian banks as depicted by the slope coefficients. This implies that liq is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (6.71) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of liq. Also, size = (10.28) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of liq.

Interestingly, we further observed from the result of the f-statistics in Table 4.22 that $F(2, 135) = 10.57$ with a probability value of 0.0381 ($p=0.0381 < 0.05$). This further confirms that the adoption of IFRS has significant effect on the liquidity ratio of banks in Nigeria.

Decision: The above result invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects liquidity ratio.

Hypothesis V:

H₀: The adoption of IFRS does not significantly affect the cash to deposit ratio reported by banks in Nigeria.

H₁: The adoption of IFRS significantly affects the cash to deposit ratio reported by banks in Nigeria.

The result for the test of Hypothesis V is presented below:

Table 4.23: Model V Summary (capadqr, ifrsdum and size)

Source	SS	df	MS	Number of obs= 138		
Model	86.6669512	2	43.3334756	F (2, 135)	=	8.71
Residual	8207.22875	135	60.794287	Prob > F	=	0.0492
Total	8293.8957	137	60.5393847	R-squared	=	0.850
				Adj R-squared	=	0.800
				Root MSE	=	7.7971

capadqr	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
ifrsdum	11.30676	6.89730	7.83	0.006	4.409706	1.796186
size	7.472530	10.25530	12.30	0.004	4.416446	3.267046
cons	20.32612	16.78117	5.21	0.008	12.86187	53.51411

Source: STATA 13.0 Version Output, 2017

From the evaluation of the regression result, we find that R² adjusted is .800 which suggests 80.0% explanatory ability of the estimation for the systematic variation in the dependent variable (cash to deposit ratio: capadqr) with an adjusted value of 20.0 (20.0%). The unexplained variation is 20.0% (1-.800). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =11.30676), Bank Size (size =7.472530) reaction to Cash to Deposit Ratio (capadqr: 20.32612) among Nigerian banks as depicted by the slope coefficients. This implies that capadqr is influenced positively by ifrsdum and size.

The result above is further supported by the computed t-values for $\text{ifrsdum} = (7.83)$ which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of capadqr . Also, $\text{size} = (12.30)$ which is greater than t-tabulated (1.660), suggesting that size is a major determinant of capadqr .

Interestingly, we further observed from the result of the f-statistics in Table 4.23 that $F(2, 135) = 8.71$ with a probability value of 0.0492 ($p=0.0492 < 0.05$). This further confirms that the adoption of IFRS has significant effect on the cash to deposit ratio of banks in Nigeria.

Decision: The above result invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their cash to deposit ratio.

4.4 Discussion of Findings

This study aimed at assessing the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of Nigerian banks. In this study, secondary data on net interest margin (NIM), return on asset (RETOA), return on equity (RETOE), liquidity ratio (LIQ), cash to deposit ratio (CAPADQR) and bank size (SIZE) were computed from the Annual Reports and Accounts and Nigerian Stock Exchange Factbook during the period 2006-2015. In order to assess the effect of the adoption of IFRS on financial reporting, the regression analysis

method was employed. However, the analyses were done via windows software – STATA 13.0 version. First, the study showed that the maximum Pearson R was .5213 and this was between International Financial Reporting Standards (IFRS) adoption (ifrsdum) and bank size (size). This ratifies that there is no multicollinearity among the variables; hence the data used in this study is fit for performing regression analysis. Similar scenario was reported between bank size (size) and cash to deposit ratio (capadqr) with the maximum Pearson R as .7320. On the overall, all the data (ifrsdum, size, capadqr, retoa, retoa and nim) are good enough for performing regression analysis.

Second, the result of the Max-Eigenvalue collinearity diagnostic test showed that the errors are normally distributed. The f-stat (17.80) and p-value (0.0006) indicating that there is significant linear relationship between the dependent variable (Net Interest Margin) and independent and moderating variables (International Financial Reporting Standards and Bank Size); the f-stat (13.51) and p-value (0.0327) indicating that there is significant linear relationship between the dependent variable (Return on Asset) and independent and moderating variables (International Financial Reporting Standards and Bank Size); the f-stat (16.13) and p-value (0.0494) indicating that there is significant linear relationship between the dependent variable (Return on Equity) and independent and moderating variables (International Financial Reporting Standards and Bank Size); the f-stat (10.57) and p-value (0.0381) indicating that there is significant linear relationship between the

dependent variable (Liquidity Ratio) and independent and moderating variables (International Financial Reporting Standards and Bank Size); and the f-stat (8.71) and p-value (0.0492) indicating that there is significant linear relationship between the dependent variable (Cash to Deposit Ratio) and independent and moderating variables (International Financial Reporting Standards and Bank Size).

Third, the mean VIF for all the variables do not exceed the standardized VIF level ($1.37 < 10.0$), suggesting that there is the absence of multicollinearity among the variables. Thus, there is no heteroscedasticity problem and this permitted us to utilize the regression outcome.

Based on the test of hypotheses I, we discovered that the R^2 adjusted is .780 which suggests 78.0% explanatory ability of the estimation for the systematic variation in the dependent variable (Net Interest Margin: nim) with an adjusted value of .22 (22.0%). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =2.965354), Bank Size (size =10.43448) reaction to Net Interest Margin (nim: 30.14061) among Nigerian banks as depicted by the slope coefficients. This implies that nim is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (4.36) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of nim. Also, size = (7.87) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of nim. Interestingly, we

further observed from the result of the f-statistics that $F(2, 135) = 17.80$ with a probability value of 0.0006 ($p=0.006 < 0.05$). This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their net interest margin. The finding of the study is in agreement with prior empirical evidences conducted by Olfa, Emna and Salem (2013), Yahaya, Yusuf and Dania (2015) and Apostolos, Despina and Christos (2010) that showed that the International Financial Reporting Standards (IFRS) significantly affect the net interest margin of companies.

In model II (retoe, ifrsdum and size), we find that R^2 adjusted is .700 which suggests 70.0% explanatory ability of the estimation for the systematic variation in the dependent variable (Return on Equity: retoe) with an adjusted value of .300 (30.0%). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =22.30902), Bank Size (size =28.74772) reaction to Return on Equity (retoe: 235.8257) among Nigerian banks as depicted by the slope coefficients. This implies that retoe is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (6.10) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of retoe. Also, size = (11.17) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of retoe. We further observed from the result of the f-statistics that $F(2, 135) = 16.13$ with a probability value of 0.0494

($p=0.0494 < 0.05$). This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their return on equity. A similar study conducted by Bournediene, Bournediene and Nafti (2014) and Akinyele (2016) found evidence that as a result of the transition to international standards of accounting, certain fundamental financial statement measures have been enhanced and more significantly is the return on equity of companies. Thus, our study is in tandem with prior studies on the relationship between IFRS and return on equity.

In the case of hypothesis III, we find that R^2 adjusted is .801 which suggests 80.1% explanatory ability of the estimation for the systematic variation in the dependent variable (Return on Asset: *retoa*) with an adjusted value of .199 (19.9%). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (*ifrsdum* =22.30902), Bank Size (*size* =28.74772) reaction to Return on Asset (*retoa*: 235.8257) among Nigerian banks as depicted by the slope coefficients. This implies that *retoa* is influenced positively by *ifrsdum* and *size*. The result above is further supported by the computed t-values for *ifrsdum* = (4.26) which is greater than t-tabulated (1.660) suggesting that *ifrsdum* is a major determinant of *retoa*. Also, *size* = (9.36) which is greater than t-tabulated (1.660), suggesting that *size* is a major determinant of *retoa*. Interestingly, we further observed from the result of the f-statistics that $F(2, 135) = 13.51$ with a probability

value of 0.0327 ($p=0.0327 < 0.05$). This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their return on asset. This finding is in agreement with studies conducted by Tarca (2012) using listed companies from France, United Kingdom, Japan, Germany and Australian and Muhibudeen (2015), Yahaya, Yusuf and Dania (2015), Akinyele (2016), Omaliko, Uzodimma, and Okpala (2017) and Imeokparia and Ifatujosin (2017) in Nigeria who found evidence that IFRSs implementation significantly contributed to the return on assets of companies.

In the case of model IV, we find that R^2 adjusted is .880 which suggests 88.0% explanatory ability of the estimation for the systematic variation in the dependent variable (liquidity ratio: liq) with an adjusted value of 12.0 (12.0%). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =22.84795), Bank Size (size =28.44558) reaction to Liquidity Ratio (liq: 235.871) among Nigerian banks as depicted by the slope coefficients. This implies that liq is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (6.71) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of liq. Also, size = (10.28) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of liq. We further observed from the result of the f-statistics that $F(2, 135) = 10.57$ with a probability value of 0.0381 ($p=0.0381 < 0.05$). This

led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their liquidity ratio. This finding conforms to a study conducted by Ioannis and Lisa (2010) that IFRS influences the liquidity position of banks in Athens and Hassan (2015), Yahaya, Onyabe and Usman (2015) and Akinleye (2016) in Nigeria.

Finally, in the case of hypothesis V, we find that R^2 adjusted is .800 which suggests 80.0% explanatory ability of the estimation for the systematic variation in the dependent variable (cash to deposit ratio: capadqr) with an adjusted value of 20.0 (20.0%). The evaluation of the slope coefficients of the explanatory variables revealed the existence of positive relationship between International Financial Reporting Standards (ifrsdum =11.30676), Bank Size (size =7.472530) reaction to Cash to Deposit Ratio (capadqr: 20.32612) among Nigerian banks as depicted by the slope coefficients. This implies that capadqr is influenced positively by ifrsdum and size. The result above is further supported by the computed t-values for ifrsdum = (7.83) which is greater than t-tabulated (1.660) suggesting that ifrsdum is a major determinant of capadqr. Also, size = (12.30) which is greater than t-tabulated (1.660), suggesting that size is a major determinant of capadqr. Interestingly, we further observed from the result of the f-statistics that $F(2, 135) = 8.71$ with a probability value of 0.0492 ($p=0.0492 < 0.05$). This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that the adoption of IFRS by Nigerian banks significantly affects their cash to deposit ratio.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study aimed at assessing the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of Nigerian banks. In this study, secondary data on net interest margin (NIM), return on asset (RETOA), return on equity (RETOE), liquidity ratio (LIQ), cash to deposit ratio (CAPADQR) and bank size (SIZE) were computed from the Annual Reports and Accounts and Nigerian Stock Exchange Factbook during the period 2006-2015. In order to assess the effect which the adoption of IFRS has on financial reporting of Nigerian banks, the regression analysis method was employed. However, the analyses were done via windows software – STATA 13.0 version. Based on the analysis of the data, the following findings emerged:

- (a) That the adoption of IFRS by Nigerian banks significantly affects their net interest margin.
- (b) That the adoption of IFRS by Nigerian banks significantly affects their return on equity.
- (c) That the adoption of IFRS by Nigerian banks significantly affects their return on asset.

- (d) That the adoption of IFRS by Nigerian banks significantly affects their liquidity ratio.
- (e) That the adoption of IFRS by Nigerian banks significantly affects their cash to deposit ratio.

5.2 Conclusion

With growing international markets and international investment opportunities, the advantages of uniform worldwide accounting standards as a global language of financial information have become more and more apparent (Apostolos, Despina and Christos, 2010). The adoption of International Financial Reporting Standards (IFRS) is a trend among countries because of the wide array of advantages it provides for countries and multinational companies. Thus, IFRS provide general guidance for the preparation of financial statements rather than setting rules for industry specific reporting. With the adoption of IFRS by banks in Nigeria, it is therefore expected that issues on accounting treatments and disclosures should be empirically investigated to determine the extent to which International Financial Reporting Standards (IFRS) has impacted on accounting numbers. In the light of the above, this study therefore sought to assess the effect of the adoption of International Financial Reporting Standards (IFRS) on financial reporting of banks in Nigeria.

Nigeria's response to international accounting standards is less rigorous to some peculiar accounting variables such as Net Interest Margin (NIM), Return On Asset (RETOA), Return On Equity (RETOE), Liquidity Ratio (LIQ), Cash To Deposit Ratio (CAPADQR), Bank Size (SIZE) and a host of others. This study therefore obtained secondary data with respect to these variables from the annual accounts of 15 sampled banks and the NSE Factbook, with a view of ascertaining the relationship between IFRS adoption and these variables. In a bid to achieve the study's specific objectives and find answers to the research questions, hypotheses were formulated and tested by means of inferential and descriptive statistics. The results from the analysis of data and tests of hypotheses show that the adoption of IFRS by Nigerian banks significantly affects the reported figures for NIM, RETOA, RETOE, LIQ, CAPADQR and SIZE. Thus, the conclusion reached in this study is that the International Financial Reporting Standards (IFRS) significantly and positively influence financial reporting of banks in Nigeria.

5.3 Recommendations

On the basis of the findings, the following recommendations were proffered:

- (a) Since a positive correlation was found between IFRS adoption and corporate financial reporting components of Nigerian banks, there is therefore, the need to strengthen and institute strict punitive measures and/or sanctions for non-compliance with the provisions of IFRS and their subsequent updates.

- (b) Following significant effect of IFRS adoption on reported accounting variables (net interest margin, return on equity and return on asset), banks are therefore encouraged to have closer watch on the trends of financial reporting in the sector in order to consistently and at all-time improve their reporting systems.
- (c) The results of this study provide evidence that supports theory on extrinsic valuation of the performance and analysis of pre and post financial statements' components of banks in Nigeria. Thus, we further recommend that banks should be closely monitored by regulatory bodies to the extent that all provisions and subsequent updates and revisions to IFRSs are fully implemented to avoid detrimental effects of asymmetric information to the sector.
- (d) The Nigerian tertiary institutions should collaborate with the National Universities Commission (NUC), National Board for Technical Education (NBTE) and the National Commission for Colleges of Education (NCCE) to review their educational curriculum to include the mandatory knowledge of IFRS.

5.4 Contribution to Knowledge

The study has contributed to knowledge in the following ways:

- (a) This study was able to affirm the existence of a positive relationship between IFRS adoption and key financial reporting variables of listed banks

in Nigeria. Effort was thus made by this study to establish the effect which the adoption of IFRS has on key financial reporting variables of listed banks in Nigeria.

- (b) This study provides evidence that supports theory on extrinsic valuation of the performance and analysis of pre and post financial statements' components of reporting entities, with a specific focus on banks in Nigeria. Findings and recommendations of the study therefore, has created the need for regulatory bodies like the Financial reporting Council of Nigeria to closely monitor Nigerian banks on the extent of compliance and implementation of all provisions and subsequent updates and revisions to IFRSs. This would go a long way to avoid the detrimental effects of asymmetric information to the sector and the entire corporate world in the country.
- (c) Evidence from this study has also shown the need to improve on adequate compliance with the extant provisions of IFRS and its updates by strengthening and instituting strict punitive measures and/or sanctions for non-compliance with the provisions of IFRS and their subsequent updates.
- (d) In the accounting literature, there are no studies in Nigeria to the best of our knowledge that have shown that cash to deposit ratio has been influenced by the IFRS. The study therefore, has filled the existing gap in the accounting

literature as regards the influence of IFRS on cash to deposit ratio of Deposit Money Banks (DMBs) in Nigeria.

- (e) The study also extends the academic literature on impact assessment of the adoption of IFRS on corporate financial reporting in the developing economies and presents fundamental insights from the accounting literature.

5.5 Suggestions for Further Study

There is need for more studies in this area. Given that the scope of the study was delimited to the Nigerian banking sector, future research could extend this study by replicating the methodology to assess data of listed companies in the non-financial services sector within Nigeria.

Conclusively, this research only covers a period of ten years (2006-2015) because of dearth of data. Further researches could also expand the scope by looking at other variables that may not have been considered in this study in addition to considering the assessment of the effect of the adoption of IFRS on financial reporting period after the IFRS adoption by Nigerian banks or other reporting entities in the country.

REFERENCES

- Abata, M. A. (2015). The impact of international financial reporting standards adoption on financial reporting practices in the Nigerian banking sector. *Journal of Policy and Development Studies*, 9(2), 169-184.
- Abdulsallam, N., Abubakar, M. Y., Alkall, N. Y. & Bala, S. A. R. (2016). Quality of accounting reporting after the IFRS adoption in Nigeria. *International Journal of Business, Economics and Management*,3(11), 160-172.
- Achugamonu, B. U., Olokoyo, F. O., Babajide, A. A., Owalabo, F. & Adetula, D. (2016). Adoption of international financial reporting standards and its implication on bank performance in Nigeria: A comparative approach. *Journal of Internet Banking and Commerce*, 21(S5), 1-20.
- Adebisi, J. E. (2014). *Advanced financial accounting and reporting (2nd ed.)*. Jos: Hamful Press Nigeria Ltd.
- Adekanye, F. (2006). *Element of banking in Nigeria (2nd ed.)*. Lagos: F&A Publishers Ltd.
- Adeleke, K. M, Adeyemi, A. Z. & Ibitoye, O. T. (2015). International financial reporting standards and financial reporting quality: An empirical study of deposit money banks in Nigeria. *International Journal in Management and Social Science*,03(04), 402-410.
- Adetoso, J. A. & Oladeji, K. S. (2013). The relevance of international financial reporting standards in the preparation and presentation of financial statements in Nigeria. *Research Journal of Finance and Accounting*,4(7), 191-197.
- Adeuja, Y. O. (2015). *A comparative approach to the impact of IFRS on the performance of banks in Nigeria*. M.Sc. Thesis submitted to the Institute of Graduate Studies and Research, Eastern Mediterranean University, North Cyprus.
- AICPA (2012). International financial reporting standards resources. Retrieved from http://ifrs.com/ifrs_faqs.html.
- Alistair, I. (2010). The standard framework for international financial reporting standards in Nigeria. *International Journal of Accounting, Finance and Economics*, 12(6), 81-93.

- Akinleye, G. T. (2016). Effect of international financial reporting standards (IFRS) adoption on the performance of deposit money banks in Nigeria. *European Journal of Business, Economics and Accountancy*, 4(4), 87-95.
- Akinyoku, O. C. (2010). Query optimistic data-base environment. *Journal of Science and Technology*, 2, 18-28.
- Apostolos, A. B., Despina, S. & Christos, A. T. (2010). The relevance of IFRS to an emerging market: Evidence from Greece. *Journal of Managerial Finance*, 36(11), 937-948.
- Arum, E. D. P. (2013). Implementation of international financial reporting standards (IFRS) and the quality of financial information in Indonesia. *Research Journal of Finance and Accounting*, 4(19), 200-209.
- Aseoluwa, A. C. N. & Jelil, A. A. (2017). IFRS adoption and performance of quoted consumer goods manufacturing companies in Nigeria. *Archives of Business Research*, 5(9), 128-138.
- Ashbaugh, H. & Pincus, M. (2001). Domestic accounting standards, international accounting standards, and the predictability of earnings. *Journal of Accounting Research*, 39(3), 417-434.
- Ashraf, J. & Ghani, W. I. (2005). Accounting development in Pakistan. *International Journal of Accounting*, 40, 175-189.
- Baird, D. (2013). Computer-oriented accounting information system. Ohio: South Western Publishing Company.
- Baker, E., Lembke, C. & King, E. (2009). *Advanced financial accounting (8thed.)*. London: McGraw-Hill Publishers Ltd.
- Ball, R., Robin, A. & Wu, J. S. (2003). Incentives versus standards: Properties of accounting income in four East Asian countries. *Journal of Accounting and Economics*, 36(1-3), 235-270.
- Bao, Y. (2004). *Do financial analysis play a role in valuation? Evidence from Asian stock markets*. Frostburg State University, American Accounting Association, Working Papers Series.

- Beaver, W. H., McAnally, M. A. & Stinson, C. H. (1997). The information content of earnings and prices: A simultaneous equations approach. *Journal of Accounting and Economics*, 23(1), 53-81.
- Bernhen, Y. (1997). Normalize-interpret-harmonize: Where are we going? *French Accounting Review*, 289, 25-64.
- Boukari, M.& Richard, J. (2007). Accounting implications of the passage quoted in the French groups IFRS. *Accounting and Control Audit*, 13, 155-170.
- Bournediene,E., Bournediene, S. L.& Nafti, O.(2014). Impact of adopting IAS-IFRS on the handling of accounting data: The case of France. *The Journal of Applied Business Research*, 30(4), 1239-1252.
- Brennan, M. J. (1995). Corporate finance over the past twenty-five years. *Financial Management*, 24, 9-22.
- Bryman, A. & Bell, E. (2007). *Business research methods (2nd ed.)*. New York: Oxford University Press.
- CBN (2015). *Financial institutions*. Retrieved from <http://www.cbn.gov.ng/supervision/Ist-DM.asp>
- Chamisa, E. E. (2000). The relevance and observance of the IASC standards in developing countries and the particular case of Zimbabwe. *The International Journal of Accounting*, 35(2), 267-286.
- Chebaane, S. (2014). The impact of IFRS adoption on value relevance of earnings and book value of equity: The case of emerging markets in African and Asian regions. *Procedia–Social and Behavioral Sciences*, 145(25), 70-80.
- Chong, K. W. (2012). *Prediction of operating cash flows using accrual-based and cash-based accounting information among Malaysian industrial corporations*. DBA Thesis, Southern Cross University, Lismore, NSW.
- Chua, W. & Taylor, S. (2008). The rise and rise of IFRS: An examination of IFRS diffusion. *Journal of Accounting and Public Policy*, 27, 462-482.
- Collis, D. & Montgomery, T. (2015). National adoption of international accounting standards: An institutional perspective on corporate governance. *International Journal of Accounting*, 18(3), 98-132.

- Collins, D. & Kothari, S. (1989). An analysis of the cross-sectional and intertemporal determinants of earnings response coefficients. *Journal of Accounting and Economics*, 11(2-3), 143-181.
- Cooper, D. R. & Emory, W. (1995). *Business research methods (5th ed.)*. Chicago: Irwin.
- Cormier, D. & Magnan, M. (2005). From accounting to fore counting. *Canadian Accounting Perspectives*, 4(2), 243-255.
- Creswell, J. W. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. Upper Saddle River, NJ: Prentice Hall.
- DeVaus, D. A. (2001). *Research design in social research*. London: Sage Publications.
- DiMaggio, P. & Powell, W. W. (1991). *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.
- Dincergok, B. & Yalciner, K. (2011). Capital structure decisions of manufacturing firms' in developing countries. *Middle Eastern Finance and Economics*, 12, 86-100.
- Duaka, C. L. (2015). Credit risk management in commercial banks. *Journal of Economics and Finance*, 6(3), 51-56.
- Egberi, O. E. & Ozigbo, A. S. (2016). Corporate financial reporting: Adopting the international financial reporting standards in Nigeria. *Journal of Policy and Development Studies*, 10(2), 20-30.
- Elosiuba, J. N. & Okoye, E. (2018). Effect of international financial reporting standards on corporate performance of selected banks listed on Nigerian stock exchange. *International Journal of Trend in Scientific Research and Development*, 2(2), 506-522.
- Erin, O., Oduwole, F. Olojede, P. & Arumona, J. (2018). Does international financial reporting standards (IFRS) impact profitability ratios of listed banks in Nigeria? *Journal of Accounting, Business and Finance Research*, 2(2), 70-90.

- Ezeani, N. S. & Oladele, R. (2012). Adoption of international financial reporting standards (IFRS) to enhance financial reporting in Nigeria universities. *Arabian Journal of Business and Management Review (OMAN Chapter)*, 2(3), 70-85.
- Fearnley, S. & Hines, T. (2007). How IFRS has destabilized financial reporting for UK non-listed entities. *Journal of Financial Regulation and Compliance*, 15(4), 394-408.
- Field, A. (2009). *Discovering statistics using SPSS (3rd ed.)*. London: Sage Publications.
- Frank, M. Z. & Goyal, V. K. (2009). Capital structure decisions: Which factors are reliably important? *Financial Management*, 38, 1-37.
- Gelard, G. (1997). Accounting standards quest for coherence. *French Review of Accounting*, 290, 9-11.
- Greenberg, R. R., Johnson, G. L. & Ramesh, K. (1986). Earnings versus cash flows as a predictor of future cash flow measures. *Journal of Accounting, Auditing and Finance*, 1(4), 266-277.
- Guler, I., Guillen, M. & Macpherson, J. (2002). Global competition, institutions and the diffusion of organizational practices: The international spread of ISO 9000 quality certificates. *Administrative Science Quarterly*, 47, 207-232.
- Gurcharan, S. (2010). A review of optimal capital structure determinant of selected Asian countries. *International Research Journal of Finance and Economics*, 47, 30-41.
- Hassan, M. (2008). The development of accounting regulations in Egypt. *Managerial Auditing Journal*, 23, 467-484.
- Hassan, S. U. (2015). Adoption of international financial reporting standards and earnings quality in listed deposit money banks in Nigeria. *Procedia Economics and Finance*, 28, 92-101.
- Healy, P. M. & Perry, C. (2000). Comprehensive criteria to judge validity and reliability of qualitative research within the realism paradigm. *Qualitative Market Research*, 3(3), 118-126.

- Heverals, J. (2007). *IAS/IFRS in Belgium: Qualitative analysis of the impact on the tax burden of companies*. Discussion paper No. 05-38. Retrieved from <ftp://ftp.zew.de/pub/zew-docs/dp/dp0538.pdf>.
- Hoarau, C. & Teller, R. (2007). IFRS accounting standards of the new global economic order. *Accounting and Audit Control*, 13,3-20.
- Horton, J., Serafeim, G. & Serafeim, I. (n.d.). Does mandatory IFRS adoption improve the information environment? *Contemporary Accounting Research*, Accepted Article, doi:10.1111/j.1911-3846.2012.01159.x.
- Hoyle, B., Schaefer, E. & Douppnik, S. (2009). *Advanced accounting (9th ed.)*. London: McGraw-Hill Publishers Ltd.
- IASB (2015). *International financial reporting standards (part A)*. London: IFRS Foundation Publications Department.
- IASB (2009). *International financial reporting standards (IFRS) for small and medium size enterprises (SMEs)*. London: IASB.
- IASB (2007). *Harmonization of accounting standards*. IASB, Working Paper.
- Ibanichuka, E. A. L. & Asukwo, I. S. (2018). International financial reporting standards adoption and financial performance of petroleum marketing entities in Nigeria. *International Journal of Advanced Academic Research in Accounting and Economic Development*, 4(2), 1-15.
- ICAN (2014). *Management, governance and ethics (study pack)*. Lagos: Institute of Chartered Accountants of Nigeria (ICAN).
- Ikpefan, O. A. & Akande, A. O. (2012). International financial reporting standards (IFRS): Benefits, obstacles and intrigues for implementation in Nigeria. *Business Intelligence Journal*, 5(2), 299-307.
- Imeokparia, L. & Ifatujosin, R. (2017). IFRS adoption and the quality of accounting information of deposit money banks in Nigeria. *World Wide Journal of Multidisciplinary Research and Development*, 3(7), 356-362.
- Ioannis, T. & Lisa, E. (2010). Transition to IFRS in Greece: Financial statement effects and auditor size. *Managerial Auditing Journal*, 25(8), 814-842.

- Iyoha, F. O. & Faboyede, S. O. (2011). Adopting international financial reporting standards (IFRS): A focus on Nigeria. *International Journal of Research in Commerce and Management*, 2(1), 35-40.
- Iyoha, F. O. & Jimoh, J. (2011). Institutional infrastructure and the adoption of international financial reporting standards (IFRS) in Nigeria. *School of Doctoral Studies (European Union) Journal*, 17-23.
- Jackson, M. O. & Wolinsky, A. (1996). A strategic model of social and economic networks. *Journal of Economic Theory*, 71(1), 44-74.
- Jaweher, B. & Mounira, B. A. (2014). The effects of mandatory IAS/IFRS regulation on the properties of earnings' quality in Australia and Europe. *European Journal of Business and Management*, 6(3), 92-111.
- Jeanjean, T. & Stolowy, H. (2008). Do accounting standards matter? An exploratory analysis of earnings management before and after IFRS adoption. *Journal of Accounting and Public Policy*, 27(6), 480-494.
- Jensen, M. & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
- Jermakowicz, E. K. (2004). Effects of adoption of international financial reporting standards in Belgium: The evidence from BEL-20 companies. *Accounting in Europe*, 1, 51-70.
- Jeroh, E. (2014). Assessing the relationship between non-performing loans and the financial soundness of banks in Nigeria (2003-2012). *ANSU Journal of Arts and Social Sciences*, 3(1), 115-125.
- Jeroh, E. (2016). Effect of IFRS adoption on the determinants of share prices in quoted service firms in Nigeria. *Sahel Analyst Journal of Management Sciences*, 14(4), 1-12.
- Jeroh, E. & Okoro, E. G. (2016). Evaluating the effect of IFRS adoption on the financial position of commercial banks in Nigeria. *Scientific Papers of the University of Pardubice*, 23(36), 130-140.
- Kaaya, I. D. (2015). The impact of international financial reporting standards (IFRS) on earnings management: A review of empirical evidence. *Journal of Finance and Accounting*, 3(3), 57-65.

- Katz, M. L. & Shapiro, C. (1985). Network externalities, competition and comparability. *American Economic Review*, 75, 424-440.
- Keppler, J. (1995) in Egberi, O. E. & Ozigbo, A. S. (2016). Corporate financial reporting: Adopting the IFRS in Nigerian firms. *Journal of Policy and Development Studies*, 10(2), 20-30.
- Kent, R. A. (2007). *Marketing research: Approaches, methods and applications in Europe*. USA: Thomson Learning.
- Kipchoge, K. A. (2015). Effect of corporate attributes on international financial reporting standard disclosure level: Evidence from Kenya listed firms. *Research Journal of Finance and Accounting*, 6(1), 97-107.
- Kolay, M., Schallheim, J. & Wells, K. (2011). *Does non-debt tax shields matter for debt policy?* Retrieved from <http://www.home.utah.edu/~u0519018/Working%20Paper%20-%20Do%20Non-debt%20Tax%20Shields%20Matter%20for%20Debt%20Policy.pdf>
- Kosmidou, K. (2008). The determinants of banks' profits in Greece during the period of EU financial integration. *Managerial Finance*, 34(3), 146-159.
- Kossentini, A. & Othman, H. B. (n. d.). *A study of the institutional and economic determinants of IFRS adoption in emerging economies*. Retrieved from <http://business.illinois.edu/drupal-files/accountancy/files/kossentini.pdf>
- Kothari, S. P., Lewallen, J. W & Warmen, J. B. (2003). *Stock returns, aggregate earnings surprises, and behavioral finance*. MIT Sloan Working Paper No. 4284-03.
- Kousendis, D. V., Ladas, A. C. & Negakis, C. I. (2010). Value relevance of accounting information in the pre and post IFRS accounting period. *European Research Studies*, XIII(1),145-154.
- Larsen, E. (2008). *Modern advanced accounting (10th ed.)*. London: McGraw-Hill International
- Lee, P., Walker, T. & Christensen, V. (2008). International financial reporting standards adoption and accounting quality. *Accounting Review*, 7(4), 1-12.

- Leedy, P. D. (1989) *Practical research: Planning and design (4th ed.)*. London: Macmillan Publishers Ltd.
- Leuz, C. & Wysocki, P. (2008). *Economic consequences of financial reporting and disclosure regulation: A review and suggestions for future research*. University of Chicago, Working paper.
- Levine, D. M., Stephan, D. F., Krehbiel, T. C. & Berenson, M.L. (2008). *Statistics for managers: Using microsoft excel (5thed.)*.Upper Saddle River: Pearson Education.
- Li-Ju, C. & Shun-Yu, C. (2009). *How the pecking-order theory explain capital structure*. Retrieved from <http://.www.jimsjournal.org/10%20li-ju%20chenpdf.pdf>
- Lourenco, I. M. E. & Branco, M. E. M. (2015). Main consequences of IFRS adoption: Analysis of existing literature and suggestions for further research. *Revista Contabilidade and Financas*, 26(68), 1-22.
- McColgan, P. (2001). *Agency theory and corporate governance: A review of the literature from a UK perspective*. Retrieved from <https://pdfs.semanticscholar.org/79c5/2954af851c95a27cb1fb702c23feaae86ca1.pdf>
- Meek, G., Roberts, C. & Gray, S. (1995). Factors influencing voluntary annual report disclosures by US, UK, and continental European multinational corporations. *Journal of International Business Studies*, 26(3), 555-572.
- Mensah, C. & Sebe-Yeboah, G. (2014). A critical analysis of financial performance of agricultural development bank. *European Centre for Research Training and Development*, 2(1), 1- 23.
- Meyer, J. W. & Rowan, B. (1977) Institutionalized organizations: Formal structure as myth and ceremony. *The American Journal of Sociology*, 83(2), 340-363.
- Mgbame, C. J., Donwa, P. A. & Agbonkolor, O. R. (2015). International financial reporting standards (IFRS) and financial reporting implications. *International Journal of Multidisciplinary Research and Development*, 2(10), 50-55.
- Mir, M. Z. & Rahaman, A. S. (2005). The adoption of international accounting standards in Bangladesh: An exploration of rationale and process. *Accounting, Auditing and Accountability Journal*, 18(6), 816-841.

- Muhammad, Y. A. & Asma, N. L. (2016). The value relevance of assets and liabilities after adoption of IFRS among Nigerian financial institutions. *Research Journal of Finance and Accounting*, 7(9), 16-25.
- Muhibudeen, L. (2015). International financial reporting standards and value relevance of accounting information in quoted cement firms in Nigeria. *International Journal of Sciences: Basic and Applied*, 22(1), 1-9.
- Murphy, A. B. (1999). Firm characteristics of Swiss companies that utilize international accounting standards. *The International Journal of Accounting*, 34(1), 121-131.
- Nachmias, F. & Nachimias, D. (2009) *Research methods in the social science (5th ed.)*. United Kingdom: Hodder Educational Books.
- Nadia, A., Catalin, N. A., Stefan, B., Daniela A. C. & Maria, M. G. (2011). A story about IAS/IFRS implementation in Romania: An institutional and structuration theory perspective. *Journal of Accounting in Emerging Economies*, 1(1), 76-100.
- Neuman, W. L. (2006). *Social research methods: Qualitative and quantitative approaches (6th ed.)*. Boston: Pearson International.
- Nobes, C. W. (1998). Towards a general model of the reasons for international differences in financial reporting. *Abacus*, 34(2), 162-187.
- North, D. (1990). *Institutions, institutional change and economic performance*. New York: Norton.
- Obi, H. K. & Anaeye, A. E. (2017). Effect of IFRS adoption on key performance indices of banks quoted on the Nigerian stock exchange. *International Journal of Research in Management, Science and Technology*, 5(2), 59-62.
- Odia, J. (2015). Perception of IFRS adoption by accounting practitioners and academics in Nigeria. *ICAN Journal of Accounting and Finance*, 4(4), 1-20.
- Ola, C. S. (2012). The Nigeria accounts in a computer world. *ICAN Journal*, 21(2), 101-115.
- Olfa, N., Emna, B. & Salem, L. B. (2013). IAS-IFRS adoption impact on accounting information: The case of France. *Journal of Modern Accounting and Auditing*, 9(3), 321-334.

- Ojeka, S. A. & Mukoro, D. O. (2011). International financial reporting standard and SMEs in Nigeria: Perceptions of academic. *International Journal of Research in Commerce and Management*, 1(2), 13-19.
- Okafor, F. O. (2009). *Entrenching credible financial reporting in Nigeria: The role of universities*. Nigeria: NASB.
- Okafor, C. & Ogiedu, K. O. (2011). Potential effects of the adoption and implementation of international financial reporting standards (IFRS) in Nigeria. *JORIND*, 9(2), 345-358.
- Okoro, E. G. (2014). Oil price volatility and economic growth in Nigeria. *Acta Universitatis, Danubius Economica*, 10(1), 70-82.
- Okoro, G. E. (2013). Accounting profession and IFRS adoption in Nigeria: Benefits and demerits connected with IFRS implementation. *Journal of Social and Management Sciences*, Special Edition, 68-70.
- Omaliko, E., Uzodimma, A. & Okpala, N. (2017). Effect of international financial reporting standard adoption on financial performance of listed money depositing banks in Nigeria. *European Journal of Business and Management*, 9(17), 11-17.
- Onalo, U. Lizam, M. & Kaseri, A. (2014). The effects of changes in accounting standards on earnings management of Malaysia and Nigerian banks. *European Journal of Accounting, Auditing and Finance Research*, 2(8), 15-42.
- Onyekwelu, U. L. & Ubesie, M. C. (2016). Relevance of international financial reporting standards on accounting quality in Nigeria. *Research Journal of Finance and Accounting*, 7(15), 39-46.
- Oyedele, T. (2011). An overview of IFRS and challenges posed to professionals. A paper presented at a seminar organized by the Chartered Institute of Taxation of Nigeria, Lagos.
- Pavtar, A. A. (2017). A comparative analysis of the effect of IFRS adoption on value relevance of accounting information in an emerging economy: A focus on listed deposit money banks in Nigeria. *HARD International Journal of Banking and Finance Research*, 3(2), 76-99.
- Pwc (2016). *Understanding IFRS*. Retrieved from <http://www.pwc.com/structure>.

- Reeb, D. M., Kwok, C. C. Y. & Baek, H. Y. (1998). Systematic risk in the multinational corporation. *Journal of Business Studies*, 29(2), 263-279.
- Richard, F. (2014). Firm size and national profiles of IFRS policy choice. *Current Issues in Accounting*, 7(1), 1-14.
- Richardson, S., Sloan, R. G., Soliman, M. & Tuna, I. (2002). *Information in accruals about the quality of earnings*. University of Michigan Business School and University of Pennsylvania, Working Paper.
- Saeedi, A. & Mahmoodi, I. (2011). Capital structure and firm performance: Evidence from Iranian companies. *International Research Journal of Finance and Economics*, 70, 21-28.
- Saidin, S. Z., Badara, M. S. & Danrimi, M. L. (2014). The effect of acceptability and enforceability of international financial reporting standards (IFRS) on global accounting standard convergence. *Mediterranean Journal of Social Sciences*, 5(10), 295-302.
- Sanyaolu, O. A., Iyoha, F. O. & Ojeka, S. A. (2017). International financial reporting standards adoption and earnings of quoted banks in Nigeria. *International Journal of Economics and Financial Issues*, 7(1), 279-284.
- Susana, C., Jose, I. J. & Jose, A. L. (2007). Adoption of international financial reporting standards in Spain: Effect on the comparability and relevance of financial reporting. *Journal of International Accounting, Auditing and Taxation*, 16, 148-178.
- Tanko, M. (2012). *The effect of international financial reporting standards (IFRS) adoption on the performance of firms in Nigeria*. Paper presented at the international conference organized by College of Business and Economics, Qassim University, Saudi Arabia.
- Tarca, A. (2012). International convergence of accounting practices: Choosing between IAS and US GAAP. *Journal of International Financial Management and Accounting*, 15(7), 1-36.
- Tendeloo, B. V. & Vanstraelen, A. (2005). Earnings management under German GAAP versus IFRS. *European Accounting Review*, 14(1), 155-180.

- Touron, P. (2005). The adoption of US GAAP by French firms before the creation of the international accounting standard committee: An institutional explanation. *Critical Perspectives in Accounting*, 16, 851-873.
- Umeha, N. (2013). Impact of computer on the Nigerian banking industry. *Business Times*, 12(6), 87-92.
- Umoren, A. O. & Enang, E. R. (2015). IFRS adoption and value relevance of financial statements of Nigerian listed banks. *International Journal of Finance and Accounting*, 4(1), 1-7.
- Vrentzou, E. (2011). The effects of international financial reporting standards on the notes of auditors. *Managerial Finance*, 37(4), 334-346.
- Wang, X., Young, G. & Zhuang, Z. (2007). *The effects of mandatory adoption of international financial reporting standards on information environments*. Paper presented at the 2008 American Accounting Association Conference, Anaheim, California.
- Williams, J., Li, S. & Pinker, R. (2010). National adoption of international accounting standards: An institutional perspective. *Corporate Governance: An International Review*, 18(3), 161-174.
- Wulandari, R. E. & Rahaman, R. A. (2004). *A cross-country study on the quality, acceptability, and enforceability of accounting standards and the valuerellevance of accounting earnings*. Retrieved from <http://www.oecd.org/finance/financial-markets/33735584.pdf>
- Yahaya, O. A., Onyabe, J. M. & Usman, S. O. (2015). International financial reporting standards' adoption and value relevance of accounting information of listed deposit money banks in Nigeria. *Journal of Economics and Sustainable Development*. 6(12), 85-93.
- Yahaya, O. A., Yusuf, M. J. & Dania, I. S. (2015). International financial reporting standards' adoption and financial statement effects: Evidence from listed deposit money banks in Nigeria. *Research Journal of Finance and Accounting*, 6(12), 107-122.
- Yusuf, A. M. & Nor, A. L. (2015). The value relevance of accounting disclosures among Nigerian financial institutions after the IFRS adoption. *Mediterranean Journal of Social Sciences*, 6(1), 409-418.

Zeghal, D. & Mhedhbi, K. (2006). *An analysis of the factors affecting the adoption of international accounting standards by developing countries*. University of Illinois, Illinois.

Zikmund, W. G. (2000). *Business research methods (6th ed.)*. Oklahoma: Dryden Press.

APPENDIX A

List of Deposit Money Banks for the Study

S/n	Bank	Websites
1	Access Bank Plc	www.accessbankplc.com
2	Citibank Nigeria limited	www.citigroup.com
3	Diamond Bank Plc	www.diamondbankplc.com
4	Eco BankNigeria Plc	www.ecobank.com
5	Fidelity Bank Plc	www.fidelitybankplc.com
6	First Bank of Nigeria Plc	www.firstbanknigeria.com
7	First City Monument Bank Plc	www.firstcitygroup.com
8	Guaranty Trust Bank Plc	www.gtbplc.com
9	Heritage Banking Company Limited	www.hbng.com
10	Key Stone Bank	www.keystonebankng.com
11	Skye Bank Plc	www.skyebankng.com
12	Stanbic IBTC Bank Plc	www.stanbicibtcbank.com
13	Standard Chartered Bank Nigeria Limited	www.sc.com
14	Sterling Bank Plc	www.sterlingbanking.com
15	SunTrust Bank Nigeria Limited	www.suntrustng.com
16	Union Bank of Nigeria Plc	www.unionbankingng.com
17	United Bank for Africa Plc	www.ubagroup.com
18	Unity Bank Plc	www.unitybankng.com
19	Wema Bank Plc	www.wemabank.com
20	Zenith International Bank Plc	www.zenithbank.com

Source: CBN (2015) and Official Websites of the Banks (2016)

APPENDIX B

List of Sampled Deposit Money Banks Used for the Study

S/n	Bank	Websites
1	Access Bank Plc	www.accessbankplc.com
2	Diamond Bank Plc	www.diamondbankplc.com
3	Eco Bank Nigeria Plc	www.ecobank.com
4	Fidelity Bank Plc	www.fidelitybankplc.com
5	First Bank of Nigeria Plc	www.firstbanknigeria.com
6	First City Monument Bank Plc	www.firstcitygroup.com
7	Guaranty Trust Bank Plc	www.gtbplc.com
8	Skye Bank Plc	www.skyebankng.com
9	Stanbic IBTC Bank Plc	www.stanbicibtcbank.com
10	Sterling Bank Plc	www.sterlingbanking.com
11	Union Bank of Nigeria Plc	www.unionbankingng.com
12	United Bank for Africa Plc	www.ubagroup.com
13	Unity Bank Plc	www.unitybankng.com
14	Wema Bank Plc	www.wemabank.com
15	Zenith International Bank Plc	www.zenithbank.com

Source: CBN (2015) and Official Websites of the Banks (2016)

APPENDIX C

Detailed Output of Regression Results

```

_____ (R)
/_____/ /_____/ /_____/
_____/ /_____/ /_____/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis      StataCorp
                               4905 Lakeway Drive
                               College Station, Texas 77845 USA
                               800-STATA-PC      http://www.stata.com
                               979-696-4600     stata@stata.com
                               979-696-4601 (fax)

```

3-user Stata network perpetual license:

Serial number: 501306208483

Licensed to: JEROH

DELSU

Notes:

```

| . * (13 variables, 140 observations pasted into data editor)
2 . summarize nim size ifrsdum

```

Variable	Obs	Mean	Std. Dev.	Min	Max
<u>nim</u>	138	60.64493	11.33672	21	85
<u>size</u>	138	8.861159	.4018517	8.03	9.64
<u>ifrsdum</u>	140	.5642857	.4976306	0	1

	<u>nim</u>	<u>ifrsdum</u>	<u>size</u>
<u>nim</u>	1.000		
<u>ifrsdum</u>	0.0627	1.0000	
<u>size</u>	0.3020	0.5213	1.0000

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	17.80	Probability	0.0006

APPENDIX C CONT'D

```

----- (R)
/-----/ /-----/ /-----/
/-----/ /-----/ /-----/
13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis StataCorp
4905 Lakeway Drive
College Station, Texas 77845 USA
800-STATA-PC http://www.stata.com
979-696-4600 stata@stata.com
979-696-4601 (fax)

```

```

3-user Stata network perpetual license:
Serial number: 501306208483
Licensed to: JEROH
DELSU

```

Notes:

Source	SS	df	MS	
Model	1823.29628	2	911.648138	Number of obs= 138
Residual	15784.0988	135	116.91925	F (2, 135) = 17.80
Total	17607.3951	137	128.521132	Prob > F = 0.0006
				R-squared = 0.786
				Adj R-squared= 0.780
				Root MSE = 10.813

<u>nim</u>	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
<u>ifrsdum</u>	2.965354	2.175841	4.36	0.001	7.268498	1.337789
<u>size</u>	10.43448	2.693918	7.87	0.000	5.106741	15.76222
<u>cons</u>	30.14061	23.27201	3.30	0.007	76.16549	15.88426

Variable	VIF	1/VIF
<u>ifrsdum</u>	1.37	0.728224
<u>size</u>	1.37	0.728224
Mean VIF	1.37	

APPENDIX C CONT'D

```

----- (R)
 /_ /_ /_ /_ /_
 /_ /_ /_ /_ /_
-----
13.0 Copyright 1985-2013 StataCorp LP
      StataCorp
      4905 Lakeway Drive
      College Station, Texas 77845 USA
      800-STATA-PC          http://www.stata.com
      979-696-4600         stata@stata.com
      979-696-4601 (fax)
Statistics/Data Analysis

```

3-user Stata network perpetual license:

```

Serial number: 501306208483
Licensed to:  JEROH
              DELSU

```

Notes:

```

1  . * (13 variables, 140 observations pasted into data editor)
2  . summarize retoa size ifrsdum

```

Variable	Obs	Mean	Std. Dev.	Min	Max
retoa	138	1.044565	3.936938	-29.64	9.54
size	138	8.861159	.4018517	8.03	9.64
ifrsdum	140	.5642857	.4976306	0	1

	retoa	size	ifrsdum
retoa	1.000		
ifrsdum	0.1094	0.5213	1.0000
size	0.1697	1.0000	

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	13.51	Probability	0.0327

APPENDIX C CONT'D

```

----- (R)
/___ /___ /___ /___ /___
___/ /___/ /___/ /___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis      StataCorp
                               4905 Lakeway Drive
                               College Station, Texas 77845 USA
                               800-STATA-PC      http://www.stata.com
                               979-696-4600     stata@stata.com
                               979-696-4601 (fax)

```

3-user Stata network perpetual license:

Serial number: 501306208483

Licensed to: JEROH

DELSU

Notes:

Source	SS	df	MS	
Model	16845.8234	2	8422.91171	Number of obs= 138
Residual	324059.74	135	2400.44252	F (2, 135) = 13.51
Total	340905.564	137	2488.36178	Prob > F = 0.0327
				R-squared = 0.860
				Adj R-squared= 0.801
				Root MSE = 18.994

retoa	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]
ifrsdum	22.30902	9.858929	4.26	0.025	41.80694 2.811089
size	28.74772	12.20638	9.36	0.020	4.60725 52.88819
cons	235.8257	105.4476	4.24	0.077	444.3686 27.2829

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

APPENDIX C CONT'D

```

----- (R)
/___ / ___/ / ___/
___/ / /___/ / ___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis StataCorp
                          4905 Lakeway Drive
                          College Station, Texas 77845 USA
                          800-STATA-PC http://www.stata.com
                          979-696-4600 stata@stata.com
                          979-696-4601 (fax)

```

3-user Stata network perpetual license:

Serial number: 501306208483

Licensed to: JEROH

DELSU

Notes:

```

1 . * (13 variables, 140 observations pasted into data editor)
2 . summarize retoe size ifrsdum

```

Variable	Obs	Mean	Std. Dev.	Min	Max
<u>retoe</u>	138	6.302971	49.88348	-394.32	230.23
<u>size</u>	138	8.861159	.4018517	8.03	9.64
<u>ifrsdum</u>	140	.5642857	.4976306	0	1

	retoe	ifrsdum	size
retoe	1.000		
Ifrsdum	0.1018	1.0000	
size	0.1156	0.5213	1.0000

<u>Eigenvalue</u>	.277	Condition Index	2.495
<u>ANOVA</u>			
<u>f-statistic</u>	16.13	Probability	0.0494

APPENDIX C CONT'D

```

----- (R)
/___ / ___/ / ___/
___/ / /___/ / ___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis StataCorp
4905 Lakeway Drive
College Station, Texas 77845 USA
800-STATA-PC http://www.stata.com
979-696-4600 stata@stata.com
979-696-4601 (fax)

```

3-user Stata network perpetual license:

Serial number: 501306208483

Licensed to: JEROH

DELSU

Notes:

Source	SS	df	MS	
Model	16845.8234	2	8422.91171	Number of obs= 138
Residual	324059.74	135	2400.44252	F (2, 135) = 16.13
Total	340905.564	137	2488.36178	Prob > F = 0.0494
				R-squared = 0.770
				Adj R-squared= 0.700
				Root MSE = 18.994

retoe	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdum	22.30902	9.858929	6.10	0.005	41.80694	2.811089
size	28.74772	12.20638	11.17	0.002	4.60725	52.88819
cons	235.8257	105.4476	5.22	0.004	444.3686	27.2829

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

APPENDIX C CONT'D

```

----- (R)
/___/ /___/ /___/ /___/
___/ /___/ /___/ /___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis      StataCorp
                              4905 Lakeway Drive
                              College Station, Texas 77845 USA
                              800-STATA-PC      http://www.stata.com
                              979-696-4600     stata@stata.com
                              979-696-4601 (fax)

```

3-user Stata network perpetual license:

```

Serial number: 501306208483
Licensed to:  JEROH
              DELSU

```

Notes:

```

1  . * (13 variables, 140 observations pasted into data editor)
2  . summarize lig size ifrsdum

```

Variable	Obs	Mean	Std. Dev.	Min	Max
<u>lig</u>	138	13.29029	10.3517	1.65	59.1
<u>size</u>	138	8.861159	.4018517	8.03	9.64
<u>ifrsdum</u>	140	.5642857	.4976306	0	1

	<u>lig</u>	<u>ifrsdum</u>	<u>size</u>
<u>retoe</u>	1.000		
<u>ifrsdum</u>	0.0419	1.0000	
<u>size</u>	0.0910	0.5213	1.0000

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	10.57	Probability	0.0381

APPENDIX C CONT'D

```

----- (R)
/___ / ___/ / ___/
___/ / /___/ / /___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis StataCorp
4905 Lakeway Drive
College Station, Texas 77845 USA
800-STATA-PC http://www.stata.com
979-696-4600 stata@stata.com
979-696-4601 (fax)

```

```

3-user Stata network perpetual license:
Serial number: 501306208483
Licensed to: JEROH
DELSU

```

Notes:

Source	SS	df	MS	
Model	122.100768	2	61.050384	Number of obs= 138
Residual	14558.503	135	107.840763	F (2, 135) = 10.57
Total	14680.6037	137	107.157692	Prob > F = 0.0381
				R-squared = 0.890
				Adj R-squared= 0.880
				Root MSE = 10.385

lig	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]
<u>ifrsdum</u>	22.84795	9.89660	6.71	0.009	41.11830 2.974222
<u>size</u>	28.44558	12.72170	10.28	0.004	4.11320 52.30610
cons	235.871	105.0250	6.17	0.006	444.2798 27.9110

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

APPENDIX C CONT'D

```

_____ (R)
/_____/ /_____/ /_____/
_____/ /_____/ /_____/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis      StataCorp
                              4905 Lakeway Drive
                              College Station, Texas 77845 USA
                              800-STATA-PC      http://www.stata.com
                              979-696-4600     stata@stata.com
                              979-696-4601 (fax)

```

```

3-user Stata network perpetual license:
  Serial number: 501306208483
  Licensed to:  JEROH
                DELSU

```

Notes:

```

1 . * (13 variables, 140 observations pasted into data editor)
2 . summarize capadqr size ifrsdum

```

Variable	Obs	Mean	Std. Dev.	Min	Max
capadqr	138	14.49478	7.780706	-23.29	30.98
size	138	8.861159	.4018517	8.03	9.64
ifrsdum	140	.5642857	.4976306	0	1

	capadqr	ifrsdum	size
capadqr	1.000		
ifrsdum	0.0990	1.0000	
size	0.7320	0.5213	1.0000

Eigenvalue	.277	Condition Index	2.495
ANOVA			
f-statistic	8.71	Probability	0.0492

APPENDIX C CONT'D

```

----- (R)
/___ /___ /___ /___ /___
___/ /___/ /___/ /___/ 13.0 Copyright 1985-2013 StataCorp LP
Statistics/Data Analysis StataCorp
4905 Lakeway Drive
College Station, Texas 77845 USA
800-STATATA-PC http://www.stata.com
979-696-4600 stata@stata.com
979-696-4601 (fax)

```

```

3-user Stata network perpetual license:
Serial number: 501306208483
Licensed to: JEROH
DELSU

```

Source	SS	df	MS	Number of obs= 138	
Model	86.6669512	2	43.3334756	F (2, 135)	= 8.71
Residual	8207.22875	135	60.794287	Prob > F	=0.0492
Total	8293.8957	137	60.5393847	R-squared	= 0.850
				Adj R-squared	= 0.800
				Root MSE	=7.7971

capadqr	Coef.	Stf. Err.	t	P/t/	[95% Conf. Interval]	
ifrsdum	11.30676	6.89730	7.83	0.006	4.409706	1.796186
size	7.472530	10.25530	12.30	0.004	4.416446	3.267046
cons	20.32612	16.78117	5.21	0.008	12.86187	53.51411

Variable	VIF	1/VIF
ifrsdum	1.37	0.728224
size	1.37	0.728224
Mean VIF	1.37	

APPENDIX D
RESULTS FOR ANALYSES OF DATA FOR PERIODS
BEFORE IFRS ADOPTION

```

_____ (R)
 / / / / /
 / / / / /
Statistics/Data Analysis 13.0 Copyright 1985-2013 StataCorp LP
                               StataCorp
                               4905 Lakeway Drive
                               College Station, Texas 77845 USA
                               800-STATATA-PC http://www.stata.com
                               979-696-4600 stata@stata.com
                               979-696-4601 (fax)

```

Notes:

```

. *(13 variables, 70 observations pasted into data editor)

. summarize nim retoa retoi liq capadqr size

```

Variable	Obs	Mean	Std. Dev.	Min	Max
nim	69	60.46739	10.82806	21	81.5
retoa	69	.8328986	5.179984	-29.64	9.54
retoi	69	10.31623	47.73074	-233.11	230.23
liq	69	11.63884	13.0175	1.94	59.1
capadqr	69	15.46884	10.09947	-23.29	30.98
size	69	8.660435	.3722248	8.03	9.36

```

. correlate nim retoa retoi liq capadqr size
(obs=69)

```

	nim	retoa	retoi	liq	capadqr	size
nim	1.0000					
retoa	0.4803	1.0000				
retoi	-0.2778	-0.3589	1.0000			
liq	0.1699	0.0830	0.0395	1.0000		
capadqr	0.4074	0.5111	-0.1606	0.0215	1.0000	
size	0.3581	0.0966	-0.0083	-0.1775	-0.0770	1.0000

APPENDIX D CONT'D

. regress nim ifrsdmm size

Source	SS	df	MS			
Model	1051.09179	2	525.545897	Number of obs =	69	
Residual	6921.69901	66	104.874227	F(2, 66) =	5.01	
Total	7972.79081	68	117.246924	Prob > F =	0.0094	
				R-squared =	0.1318	
				Adj R-squared =	0.1055	
				Root MSE =	10.241	

nim	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdmm	1.986297	3.791495	0.52	0.602	-5.583668	9.556261
size	9.945301	3.455597	2.88	0.005	3.045979	16.84462
_cons	-25.92232	29.8275	-0.87	0.388	-85.47486	33.63021

. regress retoa ifrsdmm size

Source	SS	df	MS			
Model	42.6030925	2	21.3015462	Number of obs =	69	
Residual	1781.98888	66	26.9998315	F(2, 66) =	0.79	
Total	1824.59197	68	26.8322349	Prob > F =	0.4586	
				R-squared =	0.0233	
				Adj R-squared =	-0.0062	
				Root MSE =	5.1961	

retoa	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdmm	1.872	1.923786	0.97	0.334	-1.968962	5.712961
size	.9004487	1.753352	0.51	0.609	-2.600232	4.40113
_cons	-7.209553	15.13432	-0.48	0.635	-37.42621	23.0071

APPENDIX D CONT'D

. regress retoo ifrsdmm size

Source	SS	df	MS	Number of obs =	69
Model	1461.57161	2	730.785805	F(2, 66) =	0.31
Residual	153457.658	66	2325.11603	Prob > F =	0.7314
				R-squared =	0.0094
				Adj R-squared =	-0.0206
Total	154919.23	68	2278.22396	Root MSE =	48.219

retoe	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdmm	-14.10224	17.85248	-0.79	0.432	-49.74585	21.54138
size	2.28043	16.27088	0.14	0.889	-30.20543	34.76629
_cons	-7.59386	140.4445	-0.05	0.957	-288.0004	272.8127

. regress liq ifrsdmm size

Source	SS	df	MS	Number of obs =	69
Model	787.646614	2	393.823307	F(2, 66) =	2.42
Residual	10735.3151	66	162.656289	Prob > F =	0.0967
				R-squared =	0.0684
				Adj R-squared =	0.0401
Total	11522.9617	68	169.455319	Root MSE =	12.754

liq	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdmm	-7.629491	4.721843	-1.62	0.111	-17.05696	1.797974
size	-4.3963	4.303523	-1.02	0.311	-12.98856	4.195961
_cons	50.70786	37.1465	1.37	0.177	-23.45753	124.8732

APPENDIX D CONT'D

. regress capadqr ifrsdmm size

Source	SS	df	MS	Number of obs =	69
Model	56.5510728	2	28.2755364	F(2, 66) =	0.27
Residual	6879.39811	66	104.233305	Prob > F =	0.7633
Total	6935.94918	68	101.999253	R-squared =	0.0082
				Adj R-squared =	-0.0219
				Root MSE =	10.209

capadqr	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ifrsdmm	1.452222	3.779892	0.38	0.702	-6.094576	8.99902
size	-2.434961	3.445022	-0.71	0.482	-9.313168	4.443247
_cons	36.36724	29.73622	1.22	0.226	-23.00304	95.73752

. mvreg nim retoa retoe liq capadqr = ifrsdmm size

Equation	Obs	Parms	RMSE	"R-sq"	F	P
nim	69	3	10.24081	0.1318	5.011202	0.0094
retoa	69	3	5.196136	0.0233	.7889511	0.4586
retoe	69	3	48.21946	0.0094	.3143008	0.7314
liq	69	3	12.75368	0.0684	2.421199	0.0967
capadqr	69	3	10.20947	0.0082	.2712716	0.7633

APPENDIX D CONT'D

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
nim						
ifrsdmm	1.986297	3.791495	0.52	0.602	-5.583668	9.556261
size	9.945301	3.455597	2.88	0.005	3.045979	16.84462
_cons	-25.92232	29.8275	-0.87	0.388	-85.47486	33.63021
retoa						
ifrsdmm	1.872	1.923786	0.97	0.334	-1.968962	5.712961
size	.9004487	1.753352	0.51	0.609	-2.600232	4.40113
_cons	-7.209553	15.13432	-0.48	0.635	-37.42621	23.0071
retoa						
ifrsdmm	-14.10224	17.85248	-0.79	0.432	-49.74585	21.54138
size	2.28043	16.27088	0.14	0.889	-30.20543	34.76629
_cons	-7.59386	140.4445	-0.05	0.957	-288.0004	272.8127
liq						
ifrsdmm	-7.629491	4.721843	-1.62	0.111	-17.05696	1.797974
size	-4.3963	4.303523	-1.02	0.311	-12.98856	4.195961
_cons	50.70786	37.1465	1.37	0.177	-23.45753	124.8732
capadqr						
ifrsdmm	1.452222	3.779892	0.38	0.702	-6.094576	8.99902
size	-2.434961	3.445022	-0.71	0.482	-9.313168	4.443247
_cons	36.36724	29.73622	1.22	0.226	-23.00304	95.73752

APPENDIX E
RESULTS FOR ANALYSES OF DATA FOR PERIODS
AFTER IFRS ADOPTION

. summarize nim retoa retoe liq capadqr size

Variable	Obs	Mean	Std. Dev.	Min	Max
nim	69	60.82246	11.90048	28.19	85
retoa	69	1.256232	2.074546	-7.83	5
retoe	69	2.28971	51.98468	-394.32	30.9
liq	69	14.94174	6.395399	1.65	34.32
capadqr	69	13.52072	4.24786	.52	23.3
size	69	9.061884	.3240791	8.33	9.64

	nim	retoa	retoe	liq	capadqr	size
nim	1.0000					
retoa	0.3894	1.0000				
retoe	0.2219	0.4954	1.0000			
liq	-0.1973	0.1384	0.2105	1.0000		
capadqr	0.2262	0.3015	0.4352	-0.1444	1.0000	
size	0.3258	0.3990	0.3829	0.4582	0.1634	1.0000

Equation	Obs	Parms	RMSE	"R-sq"	F	P
nim	69	2	11.33481	0.1061	7.956446	0.0063
retoa	69	2	1.916387	0.1592	12.68722	0.0007
retoe	69	2	48.38	0.1466	11.51053	0.0012
liq	69	2	5.726839	0.2099	17.80359	0.0001
capadqr	69	2	4.221897	0.0267	1.838945	0.1796

APPENDIX E CONT'D

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
nim						
ifrsdmm	0	(omitted)				
size	11.96378	4.241397	2.82	0.006	3.497918	20.42964
_cons	-47.59193	38.45926	-1.24	0.220	-124.3569	29.17307
retoa						
ifrsdmm	0	(omitted)				
size	2.554236	.7170967	3.56	0.001	1.122905	3.985567
_cons	-21.88996	6.502341	-3.37	0.001	-34.86868	-8.911231
retoa						
ifrsdmm	0	(omitted)				
size	61.41974	18.10341	3.39	0.001	25.28518	97.5543
_cons	-554.2889	164.1544	-3.38	0.001	-881.9423	-226.6354
liq						
ifrsdmm	0	(omitted)				
size	9.041975	2.142937	4.22	0.000	4.764654	13.3193
_cons	-66.99559	19.43128	-3.45	0.001	-105.7806	-28.21058
capadqr						
ifrsdmm	0	(omitted)				
size	2.14233	1.5798	1.36	0.180	-1.010964	5.295624
_cons	-5.892824	14.32498	-0.41	0.682	-34.48561	22.69996

```
. regress nim size ifrsdmm
note: ifrsdmm omitted because of collinearity
```

Source	SS	df	MS	Number of obs =	69
Model	1022.22833	1	1022.22833	F(1, 67) =	7.96
Residual	8608.02629	67	128.478004	Prob > F =	0.0063
Total	9630.25462	68	141.621391	R-squared =	0.1061
				Adj R-squared =	0.0928
				Root MSE =	11.335

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
nim						
size	11.96378	4.241397	2.82	0.006	3.497918	20.42964
ifrsdmm	0	(omitted)				
_cons	-47.59193	38.45926	-1.24	0.220	-124.3569	29.17307

APPENDIX E CONT'D

. regress retoa size ifrsdmm

note: ifrsdmm omitted because of collinearity

Source	SS	df	MS	Number of obs =	69
Model	46.5943242	1	46.5943242	F(1, 67) =	12.69
Residual	246.060098	67	3.67253878	Prob > F =	0.0007
				R-squared =	0.1592
				Adj R-squared =	0.1467
Total	292.654422	68	4.3037415	Root MSE =	1.9164

retoa	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
size	2.554236	.7170967	3.56	0.001	1.122905	3.985567
ifrsdmm	0	(omitted)				
_cons	-21.88996	6.502341	-3.37	0.001	-34.86868	-8.911231

. regress retoe size ifrsdmm

note: ifrsdmm omitted because of collinearity

Source	SS	df	MS	Number of obs =	69
Model	26941.8211	1	26941.8211	F(1, 67) =	11.51
Residual	156821.849	67	2340.62461	Prob > F =	0.0012
				R-squared =	0.1466
				Adj R-squared =	0.1339
Total	183763.67	68	2702.40691	Root MSE =	48.38

retoe	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
size	61.41974	18.10341	3.39	0.001	25.28518	97.5543
ifrsdmm	0	(omitted)				
_cons	-554.2889	164.1544	-3.38	0.001	-881.9423	-226.6354

APPENDIX E CONT'D

```
. regress liq size ifrsdmm
note: ifrsdmm omitted because of collinearity
```

Source	SS	df	MS			
Model	583.898789	1	583.898789	Number of obs =	69	
Residual	2197.37798	67	32.7966863	F(1, 67) =	17.80	
Total	2781.27677	68	40.901129	Prob > F =	0.0001	
				R-squared =	0.2099	
				Adj R-squared =	0.1981	
				Root MSE =	5.7268	

liq	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
size	9.041975	2.142937	4.22	0.000	4.764654	13.3193
ifrsdmm	0	(omitted)				
_cons	-66.99559	19.43128	-3.45	0.001	-105.7806	-28.21058

```
. regress capadqr size ifrsdmm
note: ifrsdmm omitted because of collinearity
```

Source	SS	df	MS			
Model	32.7781058	1	32.7781058	Number of obs =	69	
Residual	1194.23553	67	17.8244109	F(1, 67) =	1.84	
Total	1227.01364	68	18.0443182	Prob > F =	0.1796	
				R-squared =	0.0267	
				Adj R-squared =	0.0122	
				Root MSE =	4.2219	

capadqr	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
size	2.14233	1.5798	1.36	0.180	-1.010964	5.295624
ifrsdmm	0	(omitted)				
_cons	-5.892824	14.32498	-0.41	0.682	-34.48561	22.69996

APPENDIX F
Compiled Data for the Study

<i>NIM</i>	<i>RETOA</i>	<i>RETOE</i>	<i>LIQ</i>	<i>CAPADQR</i>	<i>SIZE</i>	<i>IFRSdmm</i>
81.50	0.42	2.55	26.50	16.55	8.24	0.00
70.69	1.85	21.43	48.21	8.64	8.52	0.00
63.99	1.52	9.22	3.33	16.44	9.02	0.00
54.50	0.63	2.61	9.31	24.26	8.84	0.00
67.14	1.38	6.31	3.16	21.79	8.91	0.00
63.61	0.94	8.01	1.65	11.79	9.21	1.00
60.64	2.57	18.63	23.22	13.81	9.24	1.00
53.25	2.04	15.45	23.94	13.22	9.26	1.00
56.53	2.05	15.52	19.25	13.18	9.32	1.00
50.71	2.54	17.91	18.46	14.19	9.41	1.00
68.95	1.75	11.35	14.14	15.38	8.36	0.00
64.38	2.21	13.10	25.17	16.88	8.51	0.00
65.35	2.05	10.98	10.05	18.66	8.80	0.00
53.96	-1.26	-7.70	8.42	16.31	8.81	0.00
75.38	0.22	1.25	4.64	17.93	8.77	0.00
85.00	-1.95	-16.57	7.81	11.78	8.85	1.00
79.50	1.88	20.36	11.22	9.22	9.07	1.00
73.10	1.88	20.58	15.03	9.13	9.18	1.00
68.00	1.32	12.19	15.59	10.81	9.29	1.00
69.31	0.32	2.64	20.60	12.24	9.24	1.00
58.57	2.66	12.54	10.10	21.19	8.08	0.00
54.42	2.16	15.66	9.04	13.79	8.34	0.00
73.69	2.49	9.73	5.77	25.62	8.73	0.00
64.88	0.28	1.11	4.92	25.56	8.70	0.00
66.26	1.27	4.49	5.30	28.28	8.68	1.00
61.68	0.35	1.77	11.15	19.80	8.87	1.00
46.60	1.99	11.27	12.83	17.66	8.96	1.00
35.72	0.71	4.72	19.22	15.12	9.03	1.00
46.81	1.16	7.97	21.75	14.58	9.07	1.00
50.24	1.13	7.58	15.05	14.90	9.09	1.00
75.36	2.82	27.04	8.27	10.42	8.79	0.00
70.67	2.26	24.68	6.79	9.18	8.96	0.00
72.95	2.39	10.27	5.83	23.28	9.18	0.00
59.34	0.23	1.57	3.24	14.32	9.34	0.00
69.79	1.45	9.81	3.28	14.78	9.36	1.00
82.73	0.65	5.06	6.97	12.89	9.46	1.00
78.39	2.37	17.24	9.43	13.77	9.50	1.00
71.11	1.82	14.97	15.35	12.19	9.59	1.00
67.26	1.91	15.84	16.08	12.04	9.64	1.00
66.89	0.36	2.62	17.18	13.89	9.62	1.00
49.79	2.66	10.74	13.44	24.74	8.03	0.00

APPENDIX F CONT'D

<i>NIM</i>	<i>RETOA</i>	<i>RETOE</i>	<i>LIQ</i>	<i>CAPADQR</i>	<i>SIZE</i>	<i>IFRSdmm</i>
65.43	2.26	19.13	9.65	11.83	8.42	0.00
69.39	3.23	11.31	5.76	28.59	8.67	0.00
58.89	0.12	0.44	1.94	27.95	8.67	0.00
50.27	1.47	5.89	2.49	25.02	8.73	1.00
28.19	-1.54	-7.87	8.05	19.51	8.78	1.00
49.80	1.66	11.45	13.59	14.53	8.96	1.00
55.23	1.59	11.13	19.81	14.25	9.00	1.00
61.56	1.89	13.80	10.80	13.71	9.07	1.00
51.74	0.41	2.93	15.60	14.00	9.06	1.00
62.77	2.69	20.38	24.01	13.22	8.49	0.00
58.55	2.71	26.40	26.18	10.27	8.69	0.00
68.83	3.11	16.43	29.33	18.91	8.98	0.00
65.61	2.68	14.88	3.37	18.03	9.03	0.00
73.14	3.33	18.19	2.50	18.30	9.06	1.00
77.88	3.09	20.89	22.85	14.81	9.21	1.00
76.74	5.00	30.90	15.96	16.17	9.24	1.00
73.87	4.28	27.51	14.62	15.56	9.32	1.00
70.98	4.63	26.37	11.57	17.54	9.33	1.00
69.77	3.94	24.04	10.09	16.38	9.40	1.00
57.57	1.13	7.67	7.00	14.73	8.24	0.00
64.09	1.28	19.51	3.98	6.56	8.65	0.00
62.86	2.00	16.70	5.09	11.98	8.90	0.00
48.54	-0.02	-0.14	4.92	14.30	8.80	0.00
64.22	1.48	9.37	4.10	15.76	8.85	0.00
60.24	0.29	2.64	8.82	10.95	8.96	1.00
44.05	1.18	11.83	10.40	9.95	9.03	1.00
58.58	1.43	13.31	12.99	10.78	9.05	1.00
58.67	0.69	7.37	21.16	9.31	9.15	1.00
39.81	-3.40	-39.17	17.10	8.69	9.08	1.00
65.85	3.52	12.19	5.53	28.89	8.05	0.00
50.44	3.63	13.99	5.34	25.93	8.20	0.00
54.58	4.44	14.87	4.29	29.89	8.43	0.00
61.36	3.13	10.11	2.99	30.98	8.41	0.00
76.75	2.46	11.29	2.61	21.78	8.58	1.00
78.02	1.20	8.32	5.43	14.41	8.74	1.00
58.03	1.50	12.19	11.37	12.31	8.83	1.00
59.14	3.12	22.03	12.40	14.17	8.82	1.00
64.66	3.39	29.14	12.33	11.65	8.98	1.00
47.55	0.96	4.12	16.09	23.31	8.05	0.00
49.39	1.51	6.94	38.16	21.74	8.11	0.00
53.30	3.01	20.94	46.22	14.40	8.34	0.00

APPENDIX F CONT'D

<i>NIM</i>	<i>RETOA</i>	<i>RETOE</i>	<i>LIQ</i>	<i>CAPADQR</i>	<i>SIZE</i>	<i>IFRSdmm</i>
39.39	-4.92	-40.74	4.67	12.07	8.26	0.00
56.03	2.16	19.17	2.86	11.28	8.37	1.00
51.75	1.49	16.83	19.55	8.87	8.67	1.00
44.63	1.30	14.91	18.27	8.74	8.73	1.00
51.18	1.28	13.04	14.03	9.85	8.81	1.00
55.20	1.09	10.63	17.48	10.27	8.92	1.00
48.87	1.29	10.77	14.50	11.95	8.90	1.00
54.00	2.32	12.83	5.04	18.11	8.77	0.00
67.12	2.68	21.44	4.68	12.48	9.00	0.00
41.77	-20.23	122.80	6.25	-16.48	9.14	0.00
57.71	9.54	-91.95	2.19	-10.37	9.05	1.00
44.98	-7.83	-41.41	22.66	18.90	9.02	1.00
72.39	0.71	3.79	19.39	18.82	9.01	1.00
70.89	0.61	3.05	10.06	19.88	9.00	1.00
68.08	2.63	11.95	12.09	22.02	9.00	1.00
61.26	1.33	5.69	7.86	23.30	9.02	1.00
53.28	1.31	23.80	9.03	5.49	8.95	0.00
61.14	2.10	12.78	12.70	16.40	9.01	0.00
64.49	2.76	21.10	8.12	13.09	9.17	0.00
66.46	0.17	1.27	5.01	13.72	9.13	0.00
60.11	0.04	0.33	4.73	12.48	9.16	1.00
60.01	-0.49	-5.74	24.54	8.53	9.25	1.00
61.08	2.47	26.75	34.32	9.25	9.32	1.00
55.59	1.76	19.83	27.13	8.90	9.42	1.00
53.96	1.73	18.05	29.41	9.61	9.44	1.00
58.96	2.17	17.93	23.81	12.08	9.44	1.00
43.86	1.05	4.45	14.67	23.48	8.12	0.00
56.04	0.35	2.25	20.72	15.76	8.31	0.00
68.92	-3.72	-66.88	3.55	5.57	8.54	0.00
52.49	-6.43	-233.11	3.10	2.76	8.40	0.00
57.13	4.78	28.44	6.66	16.81	8.42	0.00
71.12	1.03	6.15	10.62	16.80	8.42	1.00
61.26	1.80	12.01	11.98	14.95	8.54	1.00
57.75	-5.59	-80.04	2.41	6.99	8.61	1.00
72.56	2.59	14.02	1.65	18.45	8.62	1.00
68.72	1.06	5.68	6.22	18.63	8.65	1.00
68.58	-5.50	-32.14	24.12	17.10	8.08	0.00
64.34	1.83	10.14	25.14	18.00	8.15	0.00
21.00	-29.64	230.23	4.53	-12.88	8.19	0.00
33.30	-3.83	16.43	3.23	-23.29	8.29	0.00
41.47	8.68	110.69	3.26	7.84	8.30	0.00

APPENDIX F CONT'D

<i>NIM</i>	<i>RETOA</i>	<i>RETOE</i>	<i>LIQ</i>	<i>CAPADQR</i>	<i>SIZE</i>	<i>IFRSdmm</i>
58.95	-1.97	-67.47	11.14	2.92	8.33	1.00
46.97	-2.06	-394.32	8.03	0.52	8.39	1.00
43.88	0.55	3.86	10.82	14.30	8.46	1.00
52.33	0.62	5.42	13.63	11.44	8.58	1.00
47.73	0.59	5.05	14.26	11.61	8.60	1.00
72.46	1.88	11.55	58.96	16.25	8.79	0.00
70.08	1.93	16.13	59.10	11.97	8.99	0.00
61.59	2.91	15.00	13.41	19.40	9.25	0.00
56.62	1.24	6.10	7.64	20.35	9.22	0.00
71.93	2.44	10.36	9.25	23.59	9.19	1.00
78.61	2.52	12.44	11.55	20.26	9.29	1.00
70.83	4.70	21.90	15.53	21.47	9.33	1.00
72.78	3.62	18.87	22.27	19.18	9.42	1.00
65.89	2.65	18.00	20.04	14.72	9.57	1.00
64.50	2.64	17.78	19.01	14.83	9.60	1.00

Source: Published Annual Reports and Accounts of the Banks, 2006 - 2015