



THE EFFECT OF INTEGRATED REPORTING ON THE FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS LISTED ON THE NIGERIAN EXCHANGE (NGX)

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Abstract: This study examines the effect of iBtegrated reporting on the financial performance of Deposit Money Banks listed on the Nigerian Exchange (NGX), specifically focusing on Earnings Per Share (EPS) as a measure of financial performance. The integrated reporting framework, based on the International Integrated Reporting Council (IIRC) guidelines, includes disclosures on Organizational Overview (OV), Governance (GOV), Business Model (BM), Risks and Opportunities (RO), Strategy and Resource Allocation (SRA) and Performance (PERF). Using regression analysis, the study tests six(6)hypotheses, one for each disclosure component. Results indicate that none of the integrated reporting components have a significant positive effect on EPS, suggesting limited impact on financial performance within the Nigerian context. This finding may reflect a misalignment between investor priorities and integrated reporting disclosures in an emerging market where financial metrics may outweigh non-financial disclosures. The study highlights the potential for investor education and tailored reporting practices to enhance the perceived value of integrated reporting. The limitations of the study include its focus on industrial goods firms and reliance on EPS as the sole performance measure. Further research is recommended to explore alternative performance metrics, sector-specific effects, and the impact of integrated reporting on non-financial outcomes in emerging markets.

Keywords: Integrated Reporting (IR), Earnings Per Share (EPS), International Integrated Reporting Council (IIRC) Framework, Organizational Overview (OV), Governance (GOV), Business Model (BM), Risks and Opportunities (RO), Strategy and Resource Allocation (SRA) and Performance (PERF).

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Introduction

In the dynamic landscape of corporate reporting, there has been a paradigm shift towards more comprehensive and integrated approaches to communicating organizational value creation. This evolution has given rise to the concept of integrated reporting, a holistic framework that aims to provide a more complete picture of an organization's strategy, governance, performance, and prospects in the context of its external environment. As businesses face increasing pressure to demonstrate their long-term sustainability and value creation potential, integrated reporting has emerged as a

potential solution to bridge the gap between traditional financial reporting and the broader narrative of organizational performance.

The concept of integrated reporting has its roots in the growing recognition that conventional financial statements, while crucial, often fail to capture the full spectrum of factors that contribute to an organization's value creation process. In response to this limitation, the International Integrated Reporting Council (IIRC) was formed in 2010 with the mission of developing a globally accepted framework for integrated reporting. This culminated in the publication of the International <IR> Framework in 2013, which has since become the cornerstone for organizations seeking



to adopt integrated reporting practices (International Integrated Reporting Council [IIRC], 2021).

The IIRC (2021) defines integrated reporting as "a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation." This definition encapsulates the essence of integrated reporting as not merely a reporting tool, but a fundamental shift in organizational thinking and communication. The integrated report, as the primary output of this process, aims to provide a concise communication about how an organization's strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value over the short, medium, and long term.

The integrated reporting framework proposed by the IIRC (2013) is built upon several key components that collectively provide a comprehensive view of an organization's value creation process. These components include Organizational overview and external environment, Governance, Business model, Risks and opportunities, Strategy and resource allocation, and Performance. Each of these components is designed to provide stakeholders with a holistic understanding of the organization's operations, strategies, and prospects.

The emergence of Integrated Reporting (IR) as a comprehensive approach to corporate disclosure has sparked considerable interest in both academic and professional circles. However, despite its growing adoption and potential benefits, several critical issues and research gaps persist, particularly in the context of developing economies like Nigeria and specific sectors such as banking. This study aims to address these issues by examining the effect of integrated reporting on the financial performance of deposit money banks listed on the Nigerian Exchange Group (NGX).

One of the primary challenges in the field of integrated reporting research is the lack of standardization in measuring IR adoption and quality (Melloni et al., 2017). While the International Integrated Reporting Council (IIRC, 2013) has provided a framework for integrated reporting, the interpretation and implementation of this framework vary significantly across organizations and studies (Pistoni et al., 2018). This inconsistency makes it difficult to compare results across different research contexts and draw generalizable conclusions about the impact of IR on financial performance (Gerwanski et al., 2019). The study addresses this issue by employing a comprehensive measurement approach based on the IIRC (2013) framework. Specifically, this research measures integrated reporting using the eight key elements outlined in the framework: organizational overview and external environment, governance, business model, risks and opportunities, strategy and resource allocation, and performance. This approach contrasts with many previous studies that have used simplified measures or indices to capture IR adoption.

Another significant gap in the existing literature is the limited focus on specific sectors, particularly in developing economies (Vitolla et al., 2019). While studies have examined IR in various contexts, there is a notable lack of research focusing on the banking sector, especially in Nigeria. This sector is very important as it provides essential lending services that aid other sectors to function, being the sector with the 4th highest contribution to the 2024 Q2 GDP of Nigeria. (CBN, 2024). Previous studies in Nigeria that has analyzed the financial firms focused on other sub sectors,

For example, Oyong et al. (2022) looked at finance companies. Ebimobowei and Uche (2021) investigated insurance companies. While these studies provide valuable insights, they may not be directly applicable to the deposit money banks due to differences in business models

The main objective of this study is to examine the effect of integrated reporting components on the Earnings Per Share (EPS) of Deposit money banks listed on the NGX. Specifically, the study seeks to achieve the following objectives:

- i. To investigate the effect of organizational overview and external environment disclosure on the EPS of deposit money banks listed on the NGX.
- ii. To examine the impact of governance disclosure on the EPS of deposit money banks listed on the NGX.
- iii. To analyze the effect of business model disclosure on the EPS of deposit money banks listed on the NGX.
- iv. To evaluate the influence of risks and opportunities disclosure on the EPS of deposit money banks listed on the NGX.
- v. To assess the impact of strategy and resource allocation disclosure on the EPS of deposit money banks listed on the NGX.
- vi. To investigate the effect of performance disclosure on the EPS of deposit money banks listed on the NGX.

Research Hypotheses

Based on the research questions and objectives, the following hypotheses are formulated:

H1: Organizational overview and external environment disclosure has no significant positive effect on the Earnings Per Share (EPS) of deposit money banks listed on the NGX.

H2: Governance disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

H3: Business model disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

H4: Risks and opportunities disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

H5: Strategy and resource allocation disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

H6: Performance disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

This study on the effect of integrated reporting components on the Earnings Per Share (EPS) of deposit money banks listed on the Nigerian Exchange Group (NGX) holds significant importance for various stakeholders in the Nigerian business environment and beyond. The findings of this research have the potential to inform and influence decision-making processes across different sectors. The significance of this study for key stakeholders such as corporate managers and executives in the financial sector, Investors and shareholders stand to benefit significantly from the findings of this study, regulatory bodies such as the Securities and Exchange Commission (SEC) of Nigeria and policymakers, auditors and accounting professionals, this study provides insights into the

growing importance of non-financial information in corporate reporting.

This study focuses on examining the effect of integrated reporting components on the Earnings Per Share (EPS) of deposit money banks listed on the Nigerian Exchange Group (NGX). The research employs a quantitative approach to analyze data spanning a five-year period from 2019 to 2023.

The research covers a decade of data, from 2014 to 2023. This extended period allows for a comprehensive analysis of trends and potential long-term effects of integrated reporting practices on financial performance. Also, The study is limited to Nigeria, specifically focusing on deposit money banks listed on the NGX. This geographical scope provides insights into integrated reporting practices and their effects in the context of an emerging market economy. The sector-specific approach allows for in-depth analysis and controls for industry-specific factors that might influence the relationship between integrated reporting and financial performance.

The study employs a quantitative research methodology. This approach involves the collection and analysis of numerical data to test the hypotheses and answer the research questions while adopting the International Integrated Reporting Council (IIRC) framework as a benchmark for assessing integrated reporting practices. This ensures a standardized approach to measuring the quality and comprehensiveness of integrated reporting among the sampled firms and also specifically focusing on Earnings Per Share (EPS) as the measure of financial performance.

Literature Review

The conceptual review provides a foundation for understanding the key concepts in this study, particularly Integrated Reporting (IR) and financial performance, and how they are interconnected. This section explores the concepts in detail, examining the role of integrated reporting as per the International Integrated Reporting Council (IIRC) framework, and discusses earnings per share (EPS) as a measure of financial performance.

Integrated reporting (IR) is a holistic approach to corporate reporting that brings together financial and non-financial information into a single, comprehensive report (Oyong, Aguolu & Bhakonfe, 2022). Unlike traditional financial reporting, which focuses on historical financial performance, integrated reporting offers a broader perspective by addressing both financial and non-financial factors that affect a company's ability to create value over time. The aim of IR is to provide a more complete and transparent view of a company's performance by integrating environmental, social, and governance (ESG) factors alongside traditional financial metrics (Ebimobowei & Uche, 2021).

The growing demand for IR has been driven by a shift in the way stakeholders, including investors, regulators, and customers, assess corporate performance. According to the International Integrated Reporting Council (IIRC), the key benefit of IR is its ability to articulate how a company creates value in the short, medium, and long term through the interaction of various forms of capital (IIRC, 2013). Adegboyegun et al. (2020) pointed out that integrated reporting not only enhances transparency but also helps firms communicate their sustainability initiatives and long-term value creation strategies, which can attract investors looking for socially

responsible investment opportunities. Similarly, Emovon, Sunny, and Onogholo (2023) argued that integrated reporting improves corporate performance by offering insights into the company's strategy and resource allocation. The adoption of IR frameworks in different industries, particularly in emerging markets like Nigeria, highlights its growing significance as a tool for sustainable development and corporate governance.

The International Integrated Reporting Council (IIRC) developed the IR framework in 2013 to provide a globally accepted guideline for companies looking to adopt integrated reporting. The IIRC framework emphasizes the integration of financial and non-financial information, allowing organizations to better communicate their strategies, governance structures, performance, and long-term outlook (IIRC, 2013). The framework is built around six key capitals and eight guiding principles. The core components of IR as outlined by the IIRC framework are Organizational Overview and External Environment, Governance, Business Model, Risks and Opportunities, Strategy and Resource Allocation, and Performance (IIRC, 2013).

Earnings per share (EPS) is one of the most commonly used measures of financial performance. It represents the portion of a company's profit allocated to each outstanding share of common stock. EPS is calculated by dividing the company's net income by the number of outstanding shares (Adegboyegun et al., 2020). EPS is a key indicator of a company's profitability and is often used by investors to assess the company's financial health. A higher EPS indicates that the company is generating more profits per share, which can lead to higher stock prices and increased shareholder value. According to Albetairi, Kukreja, and Hamdan (2020),

The theories that underpin the study is Stakeholder Theory, which is pivotal in understanding the dynamics between a company's actions and its impact on various stakeholders. In addition to Stakeholder Theory, three other theories—Agency Theory, Signalling Theory, and Legitimacy Theory—are reviewed, as they offer insight into corporate behaviour, financial reporting practices, and the relationship between corporate disclosure and financial performance.

The literature on integrated reporting (IR) emphasizes its significance in enhancing corporate transparency and accountability, thereby influencing financial performance. Various studies highlight the components of IR, including human capital, manufacturing capital, and social and relationship capital, as essential indicators that impact firm value. For instance, Akpan et al. (2022) demonstrated that human capital disclosures significantly enhance the value of manufacturing firms in Nigeria, reinforcing the need for comprehensive reporting practices.

Additionally, the theoretical frameworks supporting IR, such as stakeholder theory, agency theory, and legitimacy theory, provide insights into its importance for organizational performance and stakeholder engagement. Stakeholder theory suggests that firms creating value for all stakeholders are more likely to achieve sustainable success (Freeman, 1984). Agency theory addresses the information asymmetry between managers and shareholders, advocating for transparent reporting to mitigate agency costs (Jensen & Meckling, 1976).

Moreover, empirical studies reveal mixed results regarding the relationship between IR and financial performance, with some

indicating positive correlations while others suggest minimal impact. This discrepancy highlights the need for context-specific research, particularly in emerging markets like Nigeria. Overall, the literature underscores the importance of adopting integrated reporting frameworks to enhance corporate value and foster stakeholder trust.

By integrating financial and non-financial information, the framework aims to present a more accurate and forward-looking picture of organizational performance and potential (Dhifi & Zouari, 2024).

The adoption of integrated reporting has been gaining momentum globally, with an increasing number of organizations recognizing its potential benefits. According to a survey conducted by KPMG (2020), 16% of N100 companies (the top 100 companies by revenue in each of 52 countries) and 22% of G250 companies (the world's 250 largest companies by revenue) were publishing integrated reports in 2020. This represents a significant increase from previous years, indicating a growing trend towards integrated reporting practices. In the Nigerian context, the adoption of integrated reporting is still in its early stages but gaining traction, particularly among listed companies. The Nigerian Exchange (formerly Nigerian Stock Exchange Group - NSE) has been instrumental in promoting integrated reporting practices among listed companies. In 2019, the NGX launched its Sustainability Disclosure Guidelines, which encourage listed companies to adopt integrated reporting principles in their annual reports (Nigerian Stock Exchange, 2019). This initiative aligns with global trends and reflects the growing importance of comprehensive corporate reporting in the Nigerian capital market.

The deposit money banks (DMBs) as a larger fraction of the banking industry serve as a cornerstone of Nigeria's financial system, they play a role in driving economic growth and development through services like lending. As key intermediaries in financial transactions, DMBs facilitate credit creation, savings mobilization, and investment activities, which are vital for the nation's economic stability. According to the Central Bank of Nigeria (2024), the banking sector accounted for 92% of the contribution of financial institutions (6%) to the Gross Domestic Product (GDP) of Nigeria. Given the strategic importance of DMBs in the Nigerian economy, understanding the impact of integrated reporting on their financial performance is particularly relevant. The adoption of integrated reporting among DMBs could enhance transparency, foster investor confidence, and improve strategic decision-making, potentially leading to better financial outcomes (Ebimobowei & Uche, 2021).

The relationship between integrated reporting and financial performance has been a subject of considerable academic interest in recent years. Several studies have explored this relationship in various contexts, yielding mixed results. For instance, Adegboyegun et al. (2020) investigated the impact of integrated reporting on corporate performance in the Nigerian banking industry. Their findings revealed a positive relationship between integrated reporting and corporate performance, suggesting that the adoption of integrated reporting practices could enhance financial outcomes for banks. Similarly, Oyong et al. (2022) examined the effect of integrated reporting on the financial performance of quoted finance companies in Nigeria. Their study found a significant positive relationship between integrated reporting and financial performance indicators such as return on assets (ROA) and return on equity (ROE). These findings lend support to the potential benefits of integrated reporting in the Nigerian financial sector. However, not all studies have found a uniformly positive relationship between integrated reporting and financial performance. Ebimobowei and Uche (2021) investigated the impact of integrated reporting disclosures on firm value among listed insurance companies in Nigeria. While they found a positive relationship between some components of integrated reporting and firm value, the overall impact was not consistently significant across all measures.

Methodology

Research Design

This study adopts an ex post facto research design to assess the effect of integrated reporting on the financial performance of deposit money banks listed on the Nigerian Exchange (NGX). A panel data approach is used, as it offers the benefit of analyzing both cross-sectional and time-series data. This allows for a more comprehensive examination of the relationship between integrated reporting disclosures (as defined by the International Integrated Reporting Council (IIRC) 2013 framework) and financial performance, measured through earnings per share (EPS). The use of quantitative data facilitates hypothesis testing and enables the drawing of objective conclusions based on statistical evidence.

The population for this study consists of all deposit money banks operating in Nigeria during the period 2014-2023. As of 2023, there are 13 listed commercial banks in Nigeria, according to the NGX website. These banks constitute the entire population from which the sample for this study is drawn.

The population is shown in table 3.1 I appendix 1

Table 3.1 Population size

S/N	Bank	Date of Incorporation	Date of Listing
111	1. Access Holdings Plc	February 10, 2021	March 28, 2022
222	2. ECOBANK Transactional Incorporated Plc	October 3, 1985	September 11, 2006
333	3. Fidelity Bank Plc	Nov 19, 1987	May 17, 2005
444	4. FBN Plc	August 13, 2012	Nov 26, 2012
255	5. FCMB Group Plc	November 20, 2012	June 21, 2013
666	6. Guaranty Trust Holding company Plc	June 24, 2020	June 24, 2021

777	7. Jaiz Bank Plc	April 1, 2003	N/A
888	8. Stanbic IBTC Holdings Plc	March 14, 2012	Nov 23, 2012
999	9. Sterling financial Holdings company Plc	October 13, 2021	April 6, 2023
1110	1 . United Bank For Africa Plc	February 23, 1961	March31,1970
1111	11 Unity Bank Plc	March 27, 1987	N/A
1112	12 Wema Bank Plc	May 2, 1945	N/A
1113	13 Zenith Bank Plc	May 30, 1990	October 21, 2004

Source: NGX (2024)

3.3 Sample and Sampling Technique

The study employs a purposive sampling techniques to select listed banks based on their year of listing due to availability of data. The study period is from 2019-2023 and at such, only banks listed before 2019 are part of the sample. Table 3.2 Shows the sample size.

Table 3.1 sample size

S/N	Bank	Date of Incorporation	Date of Listing
111	2. ECOBANK Transactional Incorporated Plc	October 3, 1985	September 11, 2006
222	3. Fidelity Bank Plc	Nov 19, 1987	May 17, 2005
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888	11Unity Bank Plc	March 27, 1987	N/A
999	12Wema Bank Plc	May 2, 1945	N/A
1010	13Zenith Bank Plc	May 30, 1990	October 21, 2004

Source: NGX (2024)

3.4 Sources and Methods of Data Collection

Data for this study are obtained from secondary sources. The annual reports of deposit money banks listed on the NGX form the major sources of data, specifically focusing on integrated reporting disclosures. These reports are sourced from company websites and the NGX website. The study period covers five years (e.g., 2019-2023) to capture any trends in the adoption of integrated reporting and its subsequent impact on financial performance.

The measurement of integrated reporting disclosures follows the IIRC framework (2013), where each component—Organizational overview, Governance, Business model, Risks and opportunities, Strategy and resource allocation, and Performance—is evaluated using a content analysis technique. This method ensures that integrated reporting disclosures are consistently assessed across all firms. For financial performance, earnings per share (EPS) is collected from firms' financial reports.

3.5 Technique of Data Analysis

The collected data are analyzed using both descriptive statistics and inferential statistics. Descriptive statistics, such as mean and

standard deviation will summarize the data and provide insight into the extent of integrated reporting adoption and financial performance levels. For inferential analysis, linear regression analysis is employed to test the relationship between integrated reporting and financial performance. Additionally, correlation analysis is performed to assess the linear relationship between integrated reporting and financial performance variables.

Diagnostic tests such as multicollinearity (Variance Inflation Factor), autocorrelation (Durbin-Watson statistic), and heteroscedasticity (Breusch-Pagan test) are conducted to ensure the validity of the regression results.

3.6 Model Specification

The study adapts the Scoresheet of Abeywardena (2016) on the IIRC framework (2013) to examine the effect of integrated reporting on the financial performance of deposit money banks listed on the NGX. The model is specified as:

$$EPS_{it} = \beta_0 + \beta_1 OV + \beta_2 GOV + \beta_3 BM + \beta_4 RO + \beta_5 SRA + \beta_6 PERF + \epsilon_{it}$$

Where:

EPS = Earnings per Share (financial performance)

OV = Organizational Overview

GOV = Governance

BM = Business Model

RO = Risks and Opportunities

SRA = Strategy and Resource Allocation

PERF = Performance

β_0 = Constant term

$\beta_1, \beta_2, \dots, \beta_8$ = Coefficients for each of the integrated reporting components

ε = Error term

i = Firms (cross-sectional units)

t = Time (years)

Table 3.3

Measurement of Variables

INDEPENDENT VARIABLES	Disclosure item (Assign 1 if reported, otherwise 0)
Organizational Overview and External Environment	Mission
	Vision
	Culture
	Ethics
	Values
	Ownership
	Operating Structure
	Competitive Landscape
	Market Positioning
	Position within the value chain
	Key Quantitative Information
	Significant factors affecting the external environment
	Needs & Interests of stakeholders
	Macro & Microenvironment conditions
	Market Forces
	Technological changes
	Societal Issues
	Environmental Challenges
	Regulatory Environment
	Political Environment
Governance	Leadership Structure
	Processes used to make strategic decisions
	Actions taken to monitor the strategic decisions
	organization's culture, ethics and values are reflected in its use of and effects on the capitals
	Governance practices exceeding legal requirements
	Responsibility those charged with governance take for promoting & enabling innovation
	Linkage between remuneration and value creation

Business Model	Relationship on key inputs to the capital
	Inputs ability to create value in the short, medium and long term
	Organization's differentiation used in the market
	Design of business model to adopt to change
	Outputs
	Internal Outcomes
	External Outcomes
	Identification of key elements
	Diagram highlighting key elements
Risks & Opportunities	Internal Risks
	External Risks
	Internal Opportunities
	External Opportunities
	Likelihood of Risks
	Likelihood of Opportunities
	Specific steps taken to mitigate risks
	Specific Steps taken to create value form key opportunities
Strategy & Resource Allocation	Strategic Objectives
	Strategies it has in place
	Resource allocation plans to achieve objectives
	Measurements for target outcomes
	Linkage between Organization's strategy & resource allocation plans
	Differentiates which give competitive advantage and enable to create value
	Stakeholders engagements used in formulating strategy & resource allocation plans
Performance	Quantitative indicators with respect to target risk & opportunities
	Organization's effect on the capital
	Response for key stakeholder's needs & interests
	Linkage between past and current performance
	Key performance indicators that combine financial measures with other components

Source: Abeywardana (2016)

Dependent Variable	Measurement	Source
Earnings per share (EPS)	Total earnings / number of shares outstanding	Albetairi, Kukreja, and Hamdan (2018)

Result and Discussion

The data collected in this study is presented in Table 4.1. This table provides the descriptive statistics for each of the variables examined in the model, including Earnings per Share (EPS), Organisational Overview (OV), Governance (GOV), Business Model (BM), Risks and Opportunities (RO), Strategy and Resource Allocation (SRA), and Performance (PERF). Key statistical measures such as the mean, standard deviation, skewness, and kurtosis were calculated to provide an understanding of each variable's central tendency and dispersion.

For EPS, as shown in table 4.1, the minimum and maximum values are -3 and 2915, respectively, with a mean of 890.03 and a

standard deviation of 944.107, indicating a significant spread in earnings performance among the sampled firms. The skewness and kurtosis values for EPS suggest a positive skew and a leptokurtic distribution, indicating a concentration of observations around the mean.

The other variables also present various levels of skewness and kurtosis, revealing their distributional characteristics. For example, OV has a mean of 0.5067 with minimal skewness, suggesting a relatively balanced distribution around the mean, while RO displays a moderate positive skew with a mean of 0.5098, suggesting slightly more firms fall below this mean level of disclosure.

Table 4.1

Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Dev	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EPS	-3	2915	890.03	944.107	.813	.398	-.948	.778
OV	.259691352	.824485392	.50673670443	.151671507445	.187	.398	-.839	.778
GOV	.189502246	.838896343	.50036921269	.130931572714	-.031	.398	.777	.778
BM	.100000000	.809673929	.47689360994	.154237389435	-.185	.398	.450	.778
RO	.297992374	.845587505	.50978960237	.129885689722	.474	.398	-.055	.778
SRA	.101124164	.838508525	.46161488923	.154850653301	.210	.398	.298	.778
PERF	.251492735	.747220240	.49847714154	.131489843131	-.260	.398	-.547	.778

Source: SPSS 27

Correlation Analysis

Table 4.2: Correlation Matrix

		EPS	OV	GOV	BM	RO	SRA	PERF
EPS	Pearson Correlation	--						
OV	Pearson Correlation	-.206	--					
	Sig. (2-tailed)	.234						
GOV	Pearson Correlation	-.086	.102	--				
	Sig. (2-tailed)	.624	.559					
BM	Pearson Correlation	.113	-.194	-.027	--			
	Sig. (2-tailed)	.517	.263	.880				
RO	Pearson Correlation	-.177	.218	-.040	-.296	--		
	Sig. (2-tailed)	.308	.208	.819	.084			
SRA	Pearson Correlation	.057	.086	-.019	.344*	.171	--	
	Sig. (2-tailed)	.747	.622	.915	.043	.325		
PERF	Pearson Correlation	-.297	.410*	-.097	.056	.253	.009	--
	Sig. (2-tailed)	.084	.014	.579	.751	.142	.961	

Source: SPSS 27

Table 4.2 presents the Pearson correlation coefficients between EPS and the integrated reporting components. The correlation analysis aims to identify the nature and strength of relationships between each disclosure component and financial performance (EPS). The correlations reveal a mixture of positive and negative relationships. For instance, OV has a negative correlation with EPS (-0.206), suggesting that as organizational overview disclosures increase, EPS tends to decrease, albeit insignificantly.

Conversely, the correlation between SRA and EPS is positive (0.057) but statistically insignificant, implying a weak association. Among the independent variables, only the relationship between SRA and BM shows a significant positive correlation (0.344 at $p < 0.05$), indicating that firms with higher strategy and resource allocation disclosures tend to also report better business model transparency. This finding suggests that these components may be more interrelated, possibly impacting financial performance in a compound manner.

To ensure the robustness of the regression model, diagnostic tests were conducted to check for normality, multicollinearity, and homoscedasticity.

The normality test results, as presented in Table 4.3, indicate that the distribution of EPS is significantly non-normal, as evidenced by the Shapiro-Wilk and Kolmogorov-Smirnov tests ($p < 0.05$). This result suggests that EPS does not follow a normal distribution, potentially due to the wide range of EPS values.

Table 4.3: Variance inflator factors

		Tolerance	VIF
	OV	.675	1.481
	GOV	.911	1.098
	BM	.637	1.571
	RO	.743	1.345
	SRA	.704	1.420
	PERF	.671	1.489

Source: SPSS Results

Additionally, multicollinearity was assessed using the Variance Inflation Factor (VIF). Each VIF value for the independent variables is below 2, as shown in Table 4.4, indicating no serious multicollinearity issues within the model. Homoscedasticity was checked via residual plots, and the results suggest no systematic pattern, thereby supporting the assumption of constant variance. These diagnostics confirm that the model meets the basic assumptions for linear regression analysis, allowing for reliable interpretation of the regression coefficients.

Regression Result $P < 0.05$

Table 4.4: Regression Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.385 ^a	.148	-.114	996.350	.148	.566	8	26	.796	.743
a. Predictors: (Constant), PERF, BM, GOV, SRA, RO, OV										
b. Dependent Variable: EPS										
Model			Unstandardized Coefficients		Standardized Coefficients	T	Sig.			
			B	Std. Error	Beta					
1	(Constant)		2489.628	1447.760		1.720	.097			
	OV		-666.471	1370.958	-.107	-.486	.631			
	GOV		-749.536	1367.214	-.104	-.548	.588			
	BM		382.014	1388.543	.062	.275	.785			
	RO		-798.921	1525.924	-.110	-.524	.605			
	SRA		489.122	1315.066	.080	.372	.713			
	PERF		-1530.308	1585.841	-.213	-.965	.343			

Source: SPSS 27

The regression analysis, presented in Table 4.5, evaluates the impact of each integrated reporting component on EPS. The R-squared value of 0.148 suggests that approximately 14.8% of the variance in EPS can be explained by the independent variables in the model. This relatively low R-squared value implies that other unmeasured factors may play a more substantial role in explaining financial performance than the integrated reporting components alone.

Each component's coefficient shows the direction and magnitude of its effect on EPS. For instance, OV and GOV have negative coefficients, indicating an inverse relationship with EPS. Specifically, the coefficient for OV is -666.471, meaning that, on average, a unit increase in OV disclosure is associated with a decrease in EPS by this amount, though this effect is statistically insignificant ($p > 0.05$). Similarly, GOV shows a negative but non-significant association with EPS, with a coefficient of -749.536. In contrast, BM displays a positive effect on EPS, although it remains statistically insignificant, suggesting that enhanced business model disclosures might correspond with improved financial performance.

Test of Hypotheses

This section presents the results of the hypothesis testing, the coefficients and significance levels obtained from the regression model are analysed to accept or reject each hypothesis based on a 5% level of significance.

H01: Organisational overview and external environment disclosure has no significant positive effect on the Earnings Per Share (EPS) of deposit money banks listed on the NGX.

As shown in the regression output (Table 4.5), the coefficient for OV is -666.471, with a p-value of 0.631. This negative coefficient implies an inverse relationship, suggesting that an increase in OV disclosure may correlate with a decrease in EPS. However, with a p-value greater than 0.05, this relationship is statistically insignificant. Therefore, we fail to reject the null hypothesis (H01) and conclude that organisational overview disclosure does not have a significant positive effect on EPS for deposit money banks listed on the NGX.

H02: Governance disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

According to the regression results, GOV has a coefficient of -749.536 and a p-value of 0.588, indicating a negative but statistically insignificant effect. This suggests that governance disclosures do not have a significant positive impact on financial performance, as measured by EPS. Consequently, we fail to reject H02, concluding that governance disclosure does not have a statistically significant positive effect on EPS.

H03: Business model disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

In the regression analysis, BM has a coefficient of 382.014, with a p-value of 0.785. Although the coefficient is positive, suggesting a potential positive relationship, the p-value indicates that this effect is not statistically significant. Thus, we fail to reject H03, concluding that business model disclosure does not have a significant positive effect on EPS for these banks.

H04: Risks and opportunities disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

The regression results indicate a coefficient of -798.921 for RO with a p-value of 0.605, showing a negative but non-significant relationship with EPS. This finding implies that increased disclosure related to risks and opportunities does not significantly enhance financial performance. Therefore, we fail to reject H04, concluding that risks and opportunities disclosure has no significant positive effect on EPS.

H05: Strategy and resource allocation disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

The analysis yields a coefficient of 489.122 for SRA with a p-value of 0.713. Although the positive coefficient suggests that increased SRA disclosure could be associated with higher EPS, the high p-value indicates a lack of statistical significance. As such, we fail to reject H05 and conclude that strategy and resource allocation disclosure does not significantly affect EPS in a positive manner.

H06: Performance disclosure has no significant positive effect on the EPS of deposit money banks listed on the NGX.

The regression coefficient for PERF is -1530.308, with a p-value of 0.343. This negative coefficient suggests an inverse relationship between performance disclosure and EPS, and the p-value indicates this relationship is statistically insignificant. Consequently, we fail to reject H06, concluding that performance disclosure does not have a significant positive effect on EPS.

Discussion of Findings

This section explores the implications of the statistical analysis, providing a detailed interpretation of the findings in relation to existing literature and theoretical perspectives. The objective is to understand the effects of various components of integrated reporting—specifically Organizational Overview (OV), Governance (GOV), Business Model (BM), Risks and Opportunities (RO), Strategy and Resource Allocation (SRA), and Performance (PERF),—on the financial performance of deposit money banks listed on the Nigerian Exchange (NGX), measured by Earnings Per Share (EPS).

Organisational Overview and External Environment Disclosure

The first component, organisational overview and external environment disclosure, was hypothesised to have a potential positive impact on EPS. However, the regression results reveal a negative, statistically insignificant effect, suggesting that increased disclosure of organizational overview may not contribute to enhanced financial performance in line with Adegboyegun et al. (2020). This finding may be due to the way investors and stakeholders interpret information about the external environment and organizational context. In mature or well-regulated markets, such disclosures may provide strategic insight, enhancing stakeholder trust and potentially influencing investor behavior. However, in emerging markets such as Nigeria, the emphasis on these disclosures may be lower, possibly due to limited stakeholder awareness or varying degrees of corporate transparency expectations. This aligns with studies suggesting that in emerging economies, certain reporting standards and practices may not yield

the same benefits as they do in more developed markets, where stakeholders actively engage with corporate disclosures for decision-making.

Governance Disclosure

Governance disclosure was also found to have an insignificant and negative effect on EPS, indicating that governance-related information may not significantly drive investor confidence in the Nigerian banking sector. This result contrasts with Ebimobowei & Uche (2021) where governance disclosure has been shown to improve firm value through enhanced trust and reputation. In contexts where corporate governance practices are stringent, transparent governance reporting signals a firm's commitment to ethical practices and regulatory compliance, often resulting in better financial outcomes. However, in Nigeria, the regulatory environment for governance may lack the same level of enforcement, meaning that even with increased governance disclosures, firms may not achieve higher EPS. Moreover, the negative association could suggest that the type of governance information disclosed does not sufficiently reassure investors about the firm's internal controls and risk management processes, or it could indicate gaps between reported governance practices and their actual implementation.

Business Model Disclosure

Business model disclosure was anticipated to have a positive impact on financial performance, given that it provides stakeholders with a clear understanding of how the firm creates value. However, similar to other components, this factor showed a positive but statistically insignificant effect on EPS in contrast with Oyong, Aguolu, & Bahakonfe (2022). This suggests that disclosing the specifics of a firm's business model may not directly translate into improved financial outcomes in the Nigerian context. In more transparent and competitive markets, business model disclosures help investors and analysts assess a firm's long-term viability, competitive advantage, and operational efficiency. However, in Nigeria, the lack of significance could indicate a lesser emphasis on or understanding of business model disclosures, or it might reflect stakeholders' scepticism about the credibility of the information provided. Another potential explanation is that investors in the NGX may prioritize financial indicators over qualitative disclosures, meaning that business model transparency does not carry substantial weight in investment decisions.

Risks and Opportunities Disclosure

Disclosure of risks and opportunities also showed no significant positive effect on EPS, highlighting a possible disconnect between risk-related information and financial performance outcomes in this sector. This finding contrasts with theoretical expectations, where risk disclosure is assumed to allow firms to communicate their preparedness for adverse events, thereby instilling investor confidence. In practice, however, if the disclosed risks do not resonate with or appear relevant to stakeholders, or if they are perceived as vague or generic, the intended positive impact on financial performance may be limited. In Nigeria's volatile economic environment, stakeholders might view risk disclosures with caution, interpreting them as indicators of potential instability rather than opportunities for growth. Additionally, this outcome could point to an existing gap in how firms convey their risk

management strategies, making it challenging for investors to differentiate between firms based on this information.

Strategy and Resource Allocation Disclosure

Strategy and resource allocation disclosures are intended to provide insight into a firm's long-term planning and resource optimisation strategies. Despite this, the analysis indicates that these disclosures do not have a significant impact on EPS in line with Adegboyegun et al. (2020). This finding is particularly relevant because it challenges the notion that long-term strategic insights automatically translate into short-term financial benefits. In developed economies, where investors often have a long-term outlook, strategic disclosures are valued because they offer clues about a firm's future trajectory. However, in the Nigerian market, investors may prioritize short-term performance indicators over strategic information, focusing on immediate financial returns rather than potential long-term value creation. This could explain the lack of significance observed in the relationship between SRA and EPS, suggesting a divergence in stakeholder priorities between developed and emerging markets.

Performance Disclosure

Performance disclosures, which are often directly tied to a firm's financial metrics and operational outcomes, were expected to positively influence EPS. Contrary to this expectation, the regression analysis showed an insignificant and negative effect. One possible explanation for this finding is that performance disclosures may include qualitative assessments that do not align with investors' primary interest in quantitative financial results. For example, discussions of non-financial performance indicators, while valuable for comprehensive analysis, may not be a primary focus for investors on the NGX, who might rely more heavily on traditional financial metrics such as revenue, profit margins, and EPS. Moreover, in markets with limited investor education regarding integrated reporting, performance disclosures may be perceived as redundant or even confusing, thereby failing to provide the intended positive influence on financial performance.

Implications for Theory and Practice

The findings from this study offer significant implications for both theory and practice. From a theoretical perspective, the lack of significant relationships between integrated reporting components and EPS raises questions about the applicability of integrated reporting frameworks in emerging markets. Integrated reporting, while valuable in theory, may require adaptation to resonate with the unique characteristics of markets like Nigeria's, where investor focus may differ. This suggests that the theoretical model of integrated reporting's impact on financial performance may need modification to reflect regional differences in stakeholder priorities, regulatory environments, and market maturity.

Practically, the results indicate that firms in Nigeria may need to reconsider how they approach and communicate integrated reporting information. As the findings suggest limited impact of the studied components on financial performance, firms might benefit from tailoring their disclosures to focus on areas that hold more relevance for local investors, such as financial stability and short-term performance metrics. Additionally, there may be a need for investor education to raise awareness of the long-term benefits of integrated reporting, potentially shifting stakeholder perspectives over time.

Conclusion and Recommendations

The study examined the effect of integrated reporting on the financial performance of deposit money banks listed on the Nigerian Exchange (NGX), focusing specifically on Earnings Per Share (EPS) as a measure of financial performance. Utilising the components of integrated reporting—Organisational Overview (OV), Governance (GOV), Business Model (BM), Risks and Opportunities (RO), Strategy and Resource Allocation (SRA), and Performance (PERF)—the research aimed to determine whether these disclosures have a significant positive effect on EPS.

The study adopted an ex post facto research design which used both descriptive and inferential analysis to analyse the data collected from a sample of 10 deposit money banks over a 10-year period from 2019-2023. Regression analysis was employed to test six hypotheses formulated from the study's objectives. The findings indicated that none of the integrated reporting components had a statistically significant positive effect on EPS. Organizational Overview, Governance, Business Model, and other factors demonstrated varying levels of association with financial performance, but all relationships were statistically insignificant, suggesting a limited impact of integrated reporting disclosures on EPS within this sample. The lack of significant relationships highlights the unique market dynamics in Nigeria, where integrated reporting components may not yet resonate strongly with investors, possibly due to limited awareness, varying expectations, or market conditions that prioritise different financial indicators.

Based on the analysis, the study concludes that integrated reporting does not have a significant positive effect on financial performance as measured by EPS for deposit money banks listed on the NGX. This outcome may reflect a misalignment between investor priorities and integrated reporting disclosures in Nigeria's banking sector. The study concludes the following for each component:

- i. Increased disclosure on organisational overview does not lead to improved financial performance, suggesting that investors in this market may prioritise immediate financial indicators over contextual information about the firm's environment.
- ii. Governance disclosures show no significant impact on EPS, indicating that enhanced transparency in governance practices may not be a key consideration for investors in this sector or that reported governance information may lack credibility.
- iii. Business model disclosure is not positively associated with EPS, possibly due to a limited emphasis on how a firm's operational framework impacts its financial outcomes in the eyes of NGX investors
- iv. Disclosure of risks and opportunities does not improve EPS, suggesting that this information may be undervalued by investors, potentially due to concerns about the reliability of risk management disclosures in a volatile market environment
- v. Strategy and resource allocation information does not significantly enhance EPS, implying that investors may not view long-term strategic planning as a determinant of short-term financial returns
- vi. Performance (PERF): Performance disclosures are not associated with significant improvements in EPS, likely

because investors focus more on traditional financial indicators than on comprehensive performance metrics

Based on the study's findings and conclusions, the following recommendations are offered for each integrated reporting component:

- i. Firms should enhance the clarity and relevance of organizational overview disclosures to better align with investor needs, possibly focusing on information that demonstrates the firm's competitive positioning and adaptability within its market environment
- ii. Governance disclosures should emphasize transparency in decision-making processes and risk management to enhance investor confidence. Firms could consider adopting best practices in corporate governance that are widely recognized, helping to strengthen trust in reported information
- iii. Firms may benefit from providing more detailed, practical insights into their business models, highlighting how their operations create value for both the company and its stakeholders. Case studies or real-world applications may make these disclosures more reliable to investors
- iv. To address investor concerns, risk disclosures should be more specific and actionable, showing how identified risks are managed or mitigated. Additionally, communicating opportunities for growth and innovation could help attract forward-looking investors
- v. Strategy disclosures should be aligned with measurable outcomes, enabling investors to see the link between strategic objectives and expected financial performance. Clear timelines and milestone updates could enhance investor confidence in long-term planning
- vi. To make performance disclosures more impactful, firms could consider integrating key financial and non-financial performance indicators in ways that clearly demonstrate operational efficiency and profitability. This could improve investor trust in the firm's performance trajectory

Ultimately, while integrated reporting may currently have limited impact on financial performance among deposit money banks in Nigeria, efforts to refine and enhance the relevance of these disclosures could yield more substantial benefits over time. Through tailored reporting practices that cater to investor expectations in the NGX market, firms can potentially unlock the full value of integrated reporting, contributing to improved stakeholder engagement and financial outcomes.

While this study provides valuable insights, it is essential to acknowledge several limitations. First, the sample size was limited to deposit money banks listed on the NGX, which may restrict the generalisability of the findings to other sectors or exchanges. Future research should consider a more diverse sample to assess whether these findings hold across different contexts. Second, the study used EPS as a measure of financial performance, which, while common, may not capture all aspects of a firm's value, particularly non-financial or long-term impacts that integrated reporting seeks to address. Additionally, the focus on quantitative analysis limits understanding of the perceptions and attitudes of investors toward integrated reporting. Further qualitative research could explore investor and stakeholder views, providing richer insights into the underlying reasons for the limited significance observed in the quantitative results.

Given the findings and limitations of this study, several areas for future research are recommended to expand our understanding of integrated reporting's impact on financial performance in emerging markets like Nigeria:

Future research could explore the effect of integrated reporting on other sectors, such as financial services or consumer goods, to determine whether the observed relationships vary by industry. Also, Studies using other financial performance measures, such as return on assets (ROA) or market value, could provide a more comprehensive view of integrated reporting's effects on firm value. A longitudinal study examining changes in integrated reporting practices and their cumulative effect on financial performance over time could yield insights into the long-term impact of integrated reporting. Furthermore, Comparing Nigeria's NGX with more developed markets could highlight regional differences in investor priorities and the perceived value of integrated reporting components.

In-depth interviews or surveys with investors could provide insights into how integrated reporting is perceived, highlighting areas where awareness or understanding may need improvement. In addition, investigating how regulatory changes or adoption of global reporting standards impact the relevance and effectiveness of integrated reporting could offer insights into potential policy enhancements. Finally, exploring how integrated reporting affects non-financial performance outcomes, such as corporate reputation or employee engagement, could broaden the scope of integrated reporting's potential impacts.

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