VOL. 12 NO. 7,
MAY, 2026
E-ISSN 3026-9679
P-ISSN 3026-9423

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of Business Dev. and Management Res. (JBDMR)

Capital Adequacy Ratio, Loan-to-Asset Ratio, Non-Performing Loan, and Market Valuation: Empirical Evidence from Listed Financial Services Firms in Nigeria

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DOI: https://doi.org/10.70382/ajbdmr.v12i7.085

Abstract

Creative Accounting Practices often employed to present a more favourable financial position than reality distort key financial indicators that investors depend on to evaluate firm value. In light of these concerns, this study investigates the relationship between Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), Non-Performing Loan (NPL) and market valuation, based on empirical evidence from listed financial services firms in Nigeria over the period 2012 to 2024. Employing an ex-post facto research design, the study retrospectively analysed secondary data from 21 purposively sampled financial services firms, selected from a population of 48 listed firms on the Nigerian Exchange Group. Data were sourced from financial statements, regulatory bodies, and financial databases, enabling the examination of how Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), and Non-Performing Loans (NPL) affect firm value as measured by the Price-to-Book Ratio (PBR). Quantitative analysis methods including descriptive statistics, Pearson correlation, and panel regression were applied, with the Random Effects Model selected through the Hausman test. The results demonstrate that CAR and LAR have statistically positive and significant effects on market valuation, reflecting the importance of strong capital buffers and efficient lending activities in enhancing investor confidence. Similarly, NPLs exhibit a negative, and significant effect, highlighting the detrimental effects of non- performing loan on firm value. The study recommends that financial institutions and regulators should prioritize capital adequacy, optimize lending practices, and implement stringent steps to mitigate the

adverse effects of non-performing loans and support sustainable market valuation in Nigeria's financial services sector.

Keywords: Capital Adequacy Ratio, Loan-to-Asset Ratio, Non-Performing Loans, Market Valuation

Introduction

Market valuation, typically measured through metrics like the Price-to-Book (P/B) ratio, reflects how well investors perceive a company's financial performance and future prospects. In an efficient market, stock prices should incorporate all relevant financial information. At the heart of Market Value is the Market Price per Share, which signifies the per-share price at which a company's stock is traded. This metric encapsulates the collective opinions and expectations of market participants, reflecting both quantitative metrics and qualitative assessments (Smith & Johnson, 2023).

Creative accounting has become a growing concern in financial reporting, particularly in developing economies where regulatory oversight may be relatively weak. It involves the deliberate manipulation of financial statements within the limits of accounting standards to present a misleading picture of a firm's financial health (Owolabi & Iyoha, 2021). Although not outrightly illegal, creative accounting can distort the true economic value of firms and mislead investors, regulators, and other stakeholders. In the context of financial services firms, this manipulation often occurs through the adjustment of key financial ratios such as capital adequacy, asset quality, and loan provisions, which directly impact how the market values these entities (Nwanyanwu & Udeh, 2023). When financial data is influenced by creative accounting practices, market valuation may be skewed, leading to mispricing of assets and misallocation of capital (Barth & Landsman, 2021). This is particularly important in Nigeria's financial services sector, where firms are subject to volatile economic conditions, exchange rate fluctuations, and varying levels of transparency.

Studies have shown that manipulated or misrepresented financial ratios such as the Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), and Non-Performing Loans (NPLs) can significantly influence investor perceptions and firm valuation (Akinsulire & Salawu, 2023). A firm may, for instance, underreport NPLs to project an image of superior performance or overstate capital buffers to appear financially sound. Such practices, while possibly legal under certain interpretations of accounting standards, pose risks to the integrity of the capital market (Okoye *et al.*, 2022).

Over the past decade, the market value of many listed financial services firms in Nigeria has experienced significant fluctuations, with a noticeable decline in Price-to-Book Ratios (PBRs) for several institutions (Proshare, 2023). The PBR, which compares a firm's market capitalization to its book value, is a critical

indicator used by investors to assess whether a firm is undervalued or overvalued. A consistently low PBR suggests that the market has little confidence in the firm's asset quality or future profitability, often reflecting deeper issues related to financial transparency, performance, or governance. In Nigeria, many financial service providers have recorded PBRs below 1.0 over prolonged periods, indicating that they are trading at a discount to their book value. However, this underperformance raises red flags about the credibility of financial reporting, investor confidence, and the broader health of the financial sector.This growing gap between reported accounting figures and market valuation metrics has created a critical challenge for stakeholders in Nigeria's financial system. Regulators, shareholders, and analysts are increasingly concerned about the lack of alignment between book values and market perceptions, which may be fuelled by opaque or aggressive accounting methods. Moreover, despite increased oversight efforts by the Securities and Exchange Commission (SEC) and the Financial Reporting Council of Nigeria (FRCN), many financial services firms continue to struggle with low valuation multiples, poor investor sentiment, and limited access to equity financing. The persistent problem calls for an empirical investigation into the role creative accounting may be playing in shaping, or distorting, the market valuation of financial services firms in Nigeria. Understanding this dynamic is essential for strengthening transparency, boosting investor confidence, and promoting the long-term sustainability of the Nigerian capital market.

Besides, the review of prior empirical studies revealed several critical gaps that this investigation sought to address. First, a methodological gap was identified: earlier works on market valuation in Nigerian financial services firms employed simple cross-sectional designs or limited time-series analyses, often spanning no more than five years and relying on ordinary least squares estimation without controlling for unobserved heterogeneity. Consequently, they were unable to capture the dynamic effects of creative accounting practices over an extended period. This study therefore adopted a twelve-year panel dataset (2012–2024) and applied fixed- and random-effects models, as well as generalized method of moments (GMM) techniques, to mitigate endogeneity and unobserved firm-specific effects and thus produce more robust and reliable estimates.

Furthermore, a conceptual gap emerged from the literature: while researchers had examined individual financial ratios such as capital adequacy or non-performing loans in isolation, few had explicitly framed these ratios as proxies for creative accounting practices and then linked them directly to market valuation metrics. Earlier studies tended to treat creative accounting as a broad, undifferentiated construct or focused narrowly on earnings management without considering how specific financial statements manipulations (e.g., adjustments to loan provisions or capital buffers) influenced investor perceptions. In response, this study developed a clear conceptual framework that identified Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), and Non-Performing Loans (NPL) as distinct dimensions of creative accounting, thereby enabling a more precise assessment of their individual and combined effects on the Price-to-Book Ratio.

Giving the foregoing, the basic hypothesis, underlying the study are stated thus,

Ho_1: Capital Adequacy Ratio (CAR) has no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.

Ho_2: Loan-to-asset Ratio (LAR) has no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.

Ho_3: Non-performing Loans (NPL) has no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.

Capital Adequacy Ratio

The Capital Adequacy Ratio (CAR) is a critical measure for assessing the financial strength and risk-bearing capacity of banks and financial institutions. It indicates the ratio of a bank's capital to its risk-weighted assets and liabilities, thereby reflecting the institution's ability to absorb losses and remain solvent during periods of financial stress (Khatun et al., 2022; Turan & Koskija, 2019). CAR also serves as an internal measure of a bank's solvency and resilience, providing a buffer against adverse events by quantifying the level of shareholder equity in relation to total assets. A higher CAR is generally viewed as a sign of a stable and well-capitalized bank capable of meeting its financial obligations, while a lower CAR implies greater vulnerability, especially in the face of high volumes of non-performing loans (Setiawan & Muchtar, 2021; Jadhav et al., 2021). The Basel Accords enforce minimum capital requirements, prompting banks with low CAR to recapitalize or reduce their risk-weighted assets to align with regulatory standards (Sukmadewi, 2020).

Thus, consistent monitoring of CAR is essential not only for maintaining financial health but also for detecting possible manipulation of financial statements in listed Nigerian financial institutions. A strong capital base enhances investor confidence, reduces systemic risk, and promotes long-term sustainability in a volatile economic environment.

However, Khatun *et al*. (2022) reported that Capital Adequacy Ratio (CAR) can be calculated using the formula:

$$CAR = \frac{\text{Total Equity}}{\text{Total Asset}}$$

Loan-to-asset Ratio

The Loan-to-Asset Ratio (LAR) is a critical financial indicator that measures the proportion of a firm's total assets financed by loans, providing insight into the firm's leverage and exposure to financial risk. A high LAR suggests a company is more dependent on debt financing for its assets and operations, potentially increasing its financial vulnerability, while a lower ratio implies a more conservative approach, relying on equity or internal funding (Attah *et al.*, 2022). The ratio, derived by dividing total loans by total assets, also reflects the firm's liquidity and risk appetite. According to Supatmin (2021), this ratio plays a key role in evaluating a bank's liquidity by comparing loans to total deposits, thereby assessing how much of the bank's assets are tied to loans, which may affect its ability to meet short-term obligations.

Sausan *et al.* (2020) reported that the formula for calculating the Loan-to-Asset Ratio is relatively straightforward and involves dividing total loans or borrowings by total assets. Mathematically, the formula for LAR is:

$$LAR = \frac{\text{Total Loans or Borrowings}}{\text{Total Asset}}$$

Non-performing Loans

Non-performing loans (NPLs) are credit facilities that are in default or at risk of default due to the borrower's inability to fulfill the agreed repayment terms, typically after 90 days or more without payment (Awaluddin *et al.*, 2023; Martiningtiyas & Tirtarini, 2020). These loans become problematic as they stop generating income and pose serious financial risk to banks. However, definitions of NPLs vary globally, complicating cross-country comparisons (Hadian & Oktarina-Phety, 2021). While the IMF, CBN, and other scholars offer diverse perspectives, there is a general agreement that NPLs are loans with overdue payments or high probability of default. For example, the Central Bank of Nigeria classifies NPLs into Substandard (90–180 days overdue), Doubtful (180–360 days), and Lost (over 360 days overdue), with varying levels of provisioning from 10% to 100% of the outstanding balance (Ahmed *et al.*, 2019; CBN, 2014). According to Koten (2021), a loan unpaid for six months qualifies as non-performing, while Budiarto (2020) and Chimkono *et al.* (2016) emphasize the income-generating aspect, identifying NPLs as assets that no longer yield interest.

Several terms are used interchangeably with NPLs, such as bad loans, toxic assets, or delinquent loans (Nugraha *et al.*, 2021; Balgova *et al.*, 2016).

Awaluddin *et al*. (2023) posited that the formula for calculating non-performing loans typically involves dividing the total amount of non-performing loans by the total amount of loans outstanding. Mathematically, the formula for NPL ratio is:

$$NPL = \frac{\text{Non-performing Loans}}{\text{Total Loans Outstanding}} \times \frac{100}{1}$$

Market Value

This refers to the financial market's evaluation of a company's worth, commonly determined by the current stock price and the total number of outstanding shares—known as market capitalization (Brown & Williams, 2022). It also encompasses broader valuation metrics such as enterprise value, which includes both equity and debt, and alternative measures like book and intrinsic value that reflect a company's asset base and earnings potential (Smith & Johnson, 2023). This dynamic value is shaped by various factors including revenue, profitability, dividend policies, market sentiment, and macroeconomic indicators (Abubakar & Mohammed, 2019). Market Value serves as a crucial benchmark in assessing the attractiveness of a company's stock, the effectiveness of its management, and its strategic viability. For financial services firms, Market Value functions as

both a performance indicator and a strategic guide, highlighting investor confidence in the firm's risk profile, earnings growth, and competitive edge (Aliyu & Ibrahim, 2020). Thus, understanding Market Value is vital for investors, analysts, policymakers, and corporate managers in making informed financial and strategic decisions.

Price-to-Book Ratio

The Price-to-Book (P/B) Ratio is a widely recognized financial metric that compares a company's market price per share to its book value per share, offering valuable insights into how the market perceives the value of a company's net assets and equity (Akinyele & Alabi, 2021). It essentially reflects the amount investors are willing to pay for each dollar of a company's book value, thereby serving as a proxy for market expectations regarding the firm's growth potential and earning capacity (Oguntunde & Oladele, 2020). A higher P/B ratio may indicate investor confidence in the company's future performance, while a lower ratio could imply undervaluation or concerns about profitability. The P/B ratio is also useful for comparing a firm's valuation to its past performance, industry peers, or market averages, making it a relevant benchmark for investment analysis and decision-making (Osagiede & Oyewole, 2019). As such, the P/B ratio is a fundamental tool for analysts and investors in evaluating equity value and asset-based market sentiment. Akinyele and Alabi (2021) stated that Price-to-Book Ratio can be calculated using the formula below:

$$\text{P/B Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

Firm Size

This refers to the scale and scope of a company's operations and is commonly measured through indicators such as total assets, revenue, number of employees, market capitalization, and market share, which reflect a firm's financial strength, operational capacity, and market position (Egbunike, 2019; Akinlo, 2018). From a financial perspective, firm size is often operationalized by taking the natural logarithm of total assets, total sales, or market value of equity, as suggested by Garcia and Lee (2023). The concept captures not only the operational volume of a single business unit but also the impact of economies of scale in areas such as production, advertising, and capital management (Kargar, 2021). Larger firms tend to have higher profitability potential due to broader resource access and operational efficiency. Johnson and Patel (2022) emphasize that firm size can be categorized based on total asset thresholds, differentiating between small, medium, and large firms. Overall, firm size plays a critical role in understanding corporate behaviour, financial health, and market influence.

Johnson and Patel (2022) opined that to quantify firm size, the formula incorporates the logarithm of total assets, denoted as Firm Size = Log (Total Assets).

Capital Adequacy Ratio and Market Value

In a 2024 article titled "The Role of Capital Adequacy Ratio on the Relationship between Asset Quality and Performance of Commercial Banks in Nigeria", Tijani, Umar, Aliyu, and Dantsoho

adopted a panel regression analysis covering seven Nigerian international commercial banks from 2014 to 2023. Their methodology integrated asset quality indicators, such as non-performing loans and loan loss provisions, while moderating the relationship with CAR. The findings showed that asset quality negatively affects bank performance (measured by return on equity), but the presence of a high CAR buffers this adverse effect, confirming the protective role of adequate capitalization. The authors concluded that capital adequacy helps stabilize earnings during periods of credit stress. Based on this, the study recommended that banks should consistently maintain strong capital buffers and improve their credit risk management strategies. However, the study's major limitation lies in its narrow timeframe and exclusive focus on accounting-based performance (ROE), without incorporating market valuation metrics such as stock price or Tobin's Q, which would have extended its relevance to investors and shareholders.

Similarly, Akinuli and Adedayo (2024), in their article "Impact of Bank-Specific Factors on Capital Adequacy in the Nigerian Banking Sector: An Empirical Analysis", utilized econometric analysis on data from 13 deposit money banks spanning from 2012 to 2022. The study applied multiple regression techniques to examine how bank-specific variables like asset quality, liquidity, bank size, and profitability affect CAR. The findings revealed that while asset quality and return on equity negatively influence CAR, liquidity, size, and return on assets exert a positive impact. The authors concluded that well-capitalized banks tend to maintain higher liquidity levels and scale advantages, enhancing their ability to absorb shocks. They recommended that banks strive to improve operational efficiency and maintain strong liquidity positions to boost CAR levels. Nevertheless, the study did not directly analyze how variations in CAR translate into changes in market performance, such as firm valuation or investor confidence, thereby limiting the practical implications of its results for capital market stakeholders.

In another 2024 study titled "Capital Adequacy Ratio and Financial Performance of Listed Commercial Banks in Nigeria", Mbaeri, Uwalake, and Gimba examined the effect of CAR on the financial performance of commercial banks listed on the Nigerian Exchange. The authors employed panel regression analysis on data spanning from 2014 to 2019, with Return on Capital Employed (ROCE) serving as the primary performance indicator. Their findings indicated a positive and statistically significant relationship between CAR and ROCE, reinforcing the view that banks with stronger capital positions tend to perform better in terms of core operational returns. They recommended that the Central Bank of Nigeria should continue to enforce strict minimum capital requirements and encourage banks to optimize their capital structures. However, the study's reliance on ROCE, rather than market-based performance indicators such as market-to-book ratio or earnings yield, presents a significant gap in connecting CAR with actual market value outcomes, especially from an investor's perspective.

Loan-to-asset Ratio and Market Value

The effect of the Loan-to-Asset Ratio on firm performance and market value has attracted substantial empirical investigation in recent years, particularly in the context of emerging economies like Nigeria. A 2024 article by Amadi and Ogoke titled "Corporate Leverage and

Financial Performance: Evidence from Quoted Commercial Banks in Nigeria" utilized a fixed-effects panel regression model to examine data from 13 listed banks between 2014 and 2023. Their methodology incorporated debt-related metrics such as total debt-to-assets and short-term/long-term debt ratios to analyze their effect on return on equity (ROE). The study found that while short-term debt negatively affected financial performance, long-term debt had a positive and statistically significant relationship with ROE. This indicates that banks leveraging long-term funding tend to experience improved profitability, indirectly suggesting better market valuation due to enhanced investor confidence. The authors recommended that Nigerian banks optimize their capital structure by prioritizing long-term financing over short-term borrowing to improve both operational outcomes and market appeal. However, the research fell short by not directly examining market value indicators like Tobin's Q or market capitalization, and it did not isolate the net loan-to-asset ratio—thereby limiting its direct application in assessing market valuation dynamics.

Complementing this, a study published in Journal of Finance and Economics (2024) titled "An Empirical Analysis of Capital Structure, Liquidity and Banking Sector Performance in Nigeria (2011–2021)" used the Partial Least Squares (PLS) regression technique to evaluate the impact of various financial leverage and liquidity measures, including the Loan-to-Asset Ratio, on the performance of deposit money banks. The results established a significant positive relationship between the net loans-to-total assets ratio and return on assets (ROA), supporting the conclusion that increased lending capacity relative to total assets enhances the operational profitability of banks. The study concluded that prudent expansion of loan portfolios contributes positively to firm performance. It recommended regulatory support for access to long-term capital and improved asset-liability management. However, it did not include any market-based performance indicators, making it difficult to draw direct conclusions about the impact of loan intensity on market value or investor perception.

Further expanding the scope of leverage and its relation to market performance, a 2024 article by Njoku and Lee titled "Financial Strategies Driving Market Performance During Recession in Nigerian Manufacturing Firms" published in the International Journal of Financial Studies applied ordinary least squares (OLS) regression using market valuation metrics such as Tobin's Q and price-to-book ratios. Although the study focused on the manufacturing sector rather than financial institutions, it provided useful insight into how leverage (including debt-to-asset ratios) positively influenced firm market value during economic downturns. The findings revealed that firms strategically utilizing debt resources during recessionary periods experienced enhanced valuation and investor confidence. The authors recommended leveraging tax advantages of debt and ensuring financial discipline to enhance shareholder value. However, this study did not focus specifically on the Loan-to-Asset Ratio or financial service firms, thus limiting its direct applicability to the banking sector.

Non-performing Loans and Market Value

Recent empirical studies conducted in 2024 and 2025 have provided valuable insights into the relationship between Non-Performing Loans (NPLs) and the financial and market performance of

Nigerian financial services firms. Okorie, Odume, and Mgbobi (2025) in their study titled "Assessing the Effect of Non-Performing Loans on the Profitability of Listed Nigerian Financial Firms" employed an ex post facto research design utilizing descriptive statistics and correlation analysis on time-series data from 2013 to 2022. Their findings revealed that while the loan impairment-to-equity ratio had no significant effect on Return on Capital Employed (ROCE), the total loans-to-assets ratio negatively and significantly impacted ROCE, indicating that increased loan exposure tends to reduce profitability. The authors recommended enhanced credit risk assessment frameworks and stricter lending policies to mitigate the adverse effects of poor loan quality. However, the study's limitation lies in its exclusion of market-based valuation metrics, such as stock price or Tobin's Q, which would provide a more comprehensive understanding of how NPLs affect investor perception and market value.

Similarly, Ijuwo (2024) investigated "Non-Performing Loans and Credit Risk Management in Listed Deposit Money Banks in Nigeria" through panel cointegration and Fully Modified Ordinary Least Squares (FMOLS) techniques covering 2008 to 2022. The study found that the NPL-to-deposit ratio had a significant long-term negative effect on credit risk management, whereas the NPL-to-total-loan ratio did not show significance. The study also highlighted leverage and firm size as important factors influencing credit risk practices. The author recommended regulatory focus on capital adequacy and leveraging strategies to improve credit management systems. Nevertheless, the study was confined to credit risk management without direct examination of performance outcomes or market valuation impacts, leaving a gap in understanding how NPLs influence firm value in the capital market.

Furthermore, Odebode, Ezi, and Ishioro (2024) in "Effects of Non-Performing Loans on Return on Equity of Selected Commercial Banks in Nigeria" applied panel least squares regression on data from 2010 to 2021 for select commercial banks. Their findings showed a clear negative relationship between elevated NPL levels and Return on Equity (ROE), suggesting that high NPLs impair banks' profitability. They recommended that banks implement rigorous credit standards and that regulators enforce stricter supervision to curb rising NPLs. Despite demonstrating the link between credit quality and accounting profitability, the study lacked incorporation of market-based performance indicators such as stock market performance or valuation ratios, limiting insights into the effect of NPLs on shareholders' wealth.

Information Asymmetry Theory

This theory, introduced by Michael Spence, introducing the concept in his 1973 paper "Job Market Signalling," explains that economic transactions often involve an imbalance of information between parties, where one has more or better information than the other, causing adverse selection and moral hazard problems. Adverse selection occurs when the less-informed party makes decisions based on incomplete information, while moral hazard arises when one party takes risks without the other's knowledge or control. This theory emphasizes the importance of transparency and information disclosure to mitigate these issues and promote market efficiency. In the context of this study, Information Asymmetry Theory is pertinent because creative accounting practices

can distort financial statements and misrepresent the true financial condition of listed financial services firms in Nigeria, thereby increasing information asymmetry between management and investors. This imbalance may lead to the mispricing of securities and inefficient capital allocation, as investors make decisions based on inaccurate or incomplete information, resulting in market inefficiencies and suboptimal outcomes. Understanding the influence of creative accounting on information asymmetry is therefore vital to evaluating its impact on the market value of listed financial services firms in Nigeria.

Agency Theory

This theory, developed by Michael C. Jensen and William H. Meckling in their seminal 1976 paper "Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure," examines the principal-agent relationship within organizations, focusing on conflicts of interest that arise when principals (shareholders) delegate decision-making authority to agents (managers) (Jensen & Meckling, 1976). The theory highlights how misaligned incentives can lead to agency problems such as moral hazard and adverse selection, where managers may prioritize personal goals over shareholder wealth maximization. This misalignment can result in opportunistic behaviours, including creative accounting practices, as managers manipulate financial information to signal favourable but potentially misleading performance to external stakeholders. Agency Theory emphasizes the need for mechanisms such as executive compensation contracts, board oversight, and disclosure requirements to align the interests of principals and agents and reduce agency costs. In the context of this study, the theory is relevant because it explains how managers within listed financial services firms in Nigeria might engage in creative accounting as a form of agency problem, impacting the firm's market value and highlighting the importance of governance and regulatory interventions.

Agency Theory serves as the anchoring theoretical framework for this study due to its direct focus on the managerial motivations and behaviours driving creative accounting practices in listed financial services firms. These firms typically operate under a corporate structure were shareholders delegate authority to managers, creating potential conflicts of interest (Jensen & Meckling, 1976). The theory provides a comprehensive lens to analyse how managerial opportunism and risk mitigation strategies lead to financial statement manipulation. Additionally, it offers insights into the role of corporate governance mechanisms—such as executive compensation, board oversight, and regulatory policies—in mitigating agency costs and aligning managerial actions with shareholder interests. By adopting this perspective, the study can assess how agency relationships influence firm behaviour in the presence of information asymmetry, as managers have more detailed operational knowledge than external investors. This enables an evaluation of how creative accounting practices shape the information environment, affect investor perceptions, and ultimately impact the market value of listed financial services firms in Nigeria.

Signaling Theory

The Signaling Theory was developed by Michael Spence and was first published in his paper "Job Market Signaling," which appeared in the Quarterly Journal of Economics in 1973. Signaling

Theory proposes that individuals or organizations can convey information about their characteristics, abilities, or intentions to others through signals. These signals serve to reduce uncertainty and asymmetry of information between parties in transactions. In the context of financial markets, firms may use various signals, such as financial performance indicators, dividend payouts, or investment decisions, to communicate information about their underlying value or prospects to investors and other stakeholders. By sending credible signals, firms can influence the perceptions and expectations of market participants and potentially affect their behaviour and decision-making. Signaling Theory emphasizes the importance of the quality and reliability of signals in effectively conveying information and shaping stakeholders' perceptions and actions.

In the context of this study, Signaling Theory is relevant as it provides insights into how creative accounting practices may function as signals to investors and other stakeholders. Creative accounting practices, such as income smoothing or earnings management, can be used by firms to manipulate financial statements and signal positive or misleading information about their financial performance or prospects. For example, firms may engage in creative accounting to artificially inflate earnings or manipulate key financial ratios to create the impression of financial stability or growth, thereby signaling attractiveness to investors and potentially inflating their market value. Understanding how firms use creative accounting practices as signals to influence market perceptions and behaviour is essential for evaluating their impact on the market value of listed financial services firms in Nigeria.

METHODOLOGY

This study adopted an ex-post facto research design, which involved analysing existing data retrospectively to identify relationships between variables without direct manipulation by the researcher. This design was deemed appropriate for examining the effect of capital adequacy ratio, loan to asset ratio, non - performing loan on the market value of listed financial services firms in Nigeria over the period 2012 to 2024, as the phenomena under study had already occurred and could not be ethically or practically manipulated. By relying on historical data, the study captured real-world conditions and the cumulative impact of creative accounting on market valuation, while accounting for contextual factors such as regulatory changes and economic fluctuations. The design also enabled causal inferences through careful statistical controls despite the lack of direct intervention, thus aligning well with the research objectives and constraints (Creswell, 2014).

The population comprised all 48 financial services firms listed on the Nigerian Exchange Group as of December 31, 2024, representing a comprehensive view of the sector. Using purposive sampling, 21 firms were selected based on criteria including continuous operation during the study period, profitability, availability of complete financial reports, absence of mergers or acquisitions, and compliance with regulatory standards, ensuring data reliability and validity. Secondary data from financial reports, regulatory bodies such as the SEC and CBN, and financial databases were collected and analysed using both quantitative and qualitative techniques. Descriptive statistics summarized the data, while Pearson correlation and panel regression analysis examined

relationships and effects over time, with Hausman tests determining the appropriate model specification. Diagnostic tests were also conducted to validate the robustness of the regression models, addressing potential issues like multicollinearity and heteroskedasticity. Data were analysed using E-views version 12.0.

The study adapted and modified the model of Rahman *et al.* (2023) to explore the relationship between creative accounting (independent variable) and market value (dependent variable) within the Nigerian financial services context, providing a rigorous framework to understand this dynamic and contribute to relevant academic and practical discourse. However, the model of this study is stated below:

$$PBR_{it} = \alpha_1 + \beta_1 CAR_{it} + \beta_3 LAR_{it} + \beta_4 NPL_{it} + \beta_7 FSIZE_{it} + \varepsilon_{it} \quad \text{(i)}$$

Where:
PBR = Price-to-Book Ratio (Dependent Variable)
CAR = Capital Adequacy Ratio (Independent Variable)
LAR = Loan-to-asset Ratio (Independent Variable)
NPL = Non-performing Loans (Independent Variable)
FSIZE = Firm Size (Control Variable)
α_1 = constant
β_1— β_4= coefficient
ε = Error term which is incorporated in the equation to cater for other factors that may influence market value
i = cross section of financial service firms; and t=time in terms of years

The apriori expectation:
$ß_1$, $ß_2$, $ß_3$, and $ß_4 > 0$ or < 0. This implies that all the explanatory and control variable are expected to have a positive or negative relationship with the dependent variable.

Table 1: Measurement of Variables

Variable Acronym	Variable Name	Measurement	Source(s)
PBR	Price-to-Book Ratio	Market Price per Share Book Value per Share	Akinyele and Alabi (2021)
CAR	Capital Adequacy Ratio	Total Equity Total Asset	Khatun *et al.* (2022)
`LAR	Loan-to-Asset Ratio	Total Loans or Borrowings Total Asset	Sausan *et al.* (2020)

Variable Acronym	Variable Name	Measurement	Source(s)
NPL	Non-Performing Loans	Non-Performing Loans / Total Loans Outstandings	Awaluddin *et al.* (2023)
FSIZE	Firm Size	Log (Total Assets)	Johnson and Patel (2022)

Source: *Researchers Compilation (2026)*

RESULTS AND DISCUSSION

The data presentation provides a clear and organized display of the collected data, using tables, descriptive summaries, and correlation analysis to facilitate analysis and interpretation of the study's findings.

Descriptive Statistics

Descriptive statistics summarize and organize data by using measures such as mean, median, mode, and standard deviation to provide an overview of the main features of the dataset.

Table 2: Descriptive Statistics

	PBR	CAR	LAR	NPL	FSIZE
Mean	1.245879	18.35514	54.56041	6.880302	95.80359
Median	1.020000	17.50000	49.20000	4.800000	14.56000
Maximum	12.29000	85.36000	1688.900	52.00000	850.0000
Minimum	0.002600	0.146000	0.000000	0.050000	1.700000
Std. Dev.	1.233126	11.37195	131.9811	7.949558	175.3955
Skewness	5.356181	2.719188	11.31753	3.267422	2.295765
Kurtosis	43.65457	14.40226	132.5916	14.62575	7.570563
Jarque-Bera	20105.86	1815.308	196859.4	2023.182	477.4336
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	340.1250	5010.954	14894.99	1878.322	26154.38
Sum Sq. Dev.	413.6034	35175.36	4737974.	17189.17	8367692.
Observations	**273**	**273**	**273**	**273**	**273**

Source: *E-views Output (2026)*

Table 2 displays the descriptive statistics for five variables: PBR (Price-to-Book Ratio), CAR (Capital Adequacy Ratio), LAR (Loan-to-Asset Ratio), NPL (Non-Performing Loans), and FSIZE (Firm Size), based on 273 observations. The mean values indicate that on average, the PBR was approximately 1.25, CAR was 18.36%, LAR was 54.56%, NPL was 6.88%, and FSIZE averaged 95.80. Median values for these variables are generally lower than their respective means, with FSIZE showing a particularly large difference (median of 14.56 versus mean of 95.80), suggesting a skewed distribution. This skewness is confirmed by the high

positive skewness statistics across all variables, notably LAR at 11.32 and PBR at 5.36, indicating that the data are right-skewed with extreme high values present in the dataset.

The maximum and minimum values further reflect the wide variability within the data. For instance, LAR ranges from 0 to as high as 1688.90, and CAR varies from 0.15% to 85.36%, highlighting considerable differences in financial performance among firms. The standard deviations also demonstrate this dispersion, particularly for LAR (131.98) and FSIZE (175.40), indicating substantial spread around the mean. Kurtosis values are very high for all variables, especially PBR (43.65) and LAR (132.59), suggesting the presence of heavy tails and a high likelihood of outliers. The Jarque-Bera tests for all variables are highly significant with p-values of 0.000, confirming that the data significantly deviate from a normal distribution.

However, sum of squared deviations provide aggregate measures of the variables and their variances, emphasizing the overall scale and variability in the dataset across the 273 observations. Overall, these descriptive statistics reveal a dataset characterized by considerable heterogeneity, extreme values, and non-normal distributions, which will necessitate the use of robust statistical techniques for subsequent analysis to ensure accurate and reliable inference.

Correlation Analysis

Correlation analysis was employed as a statistical technique to examine and quantify the strength and direction of the relationships between the variables.

Table 3: Correlation Matrix

Correlation

Probability	PBR	CAR	LAR	NPL	FSIZE
PBR	1.000000				

CAR	0.080517	1.000000			
	0.1847	-----			
LAR	0.154349	-0.132600	1.000000		
	0.0107	0.0285	-----		
NPL	-0.060988	0.299191	0.382536	1.000000	
	0.3154	0.0000	0.0000	-----	
FSIZE	-0.057874	-0.047046	-0.005265	-0.094633	1.000000
	0.3408	0.4388	0.9310	0.1188	-----

Source: *E-views Output (2026)*

Table 3 displays the correlation matrix reflecting the relationships between Price-to-Book Ratio (PBR), Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), Non-Performing Loans (NPL), and Firm Size (FSIZE). The results indicate that PBR has a weak positive

correlation with CAR (0.0805) and LAR (0.1543), with only the correlation with LAR being statistically significant (p = 0.0107), while the correlation with CAR is not significant (p = 0.1847). Additionally, PBR shows a weak negative correlation with NPL (-0.0610) and FSIZE (-0.0579), but these relationships are not statistically significant, suggesting limited or no linear association between PBR and these variables.

In contrast, the NPL variable exhibits moderate positive correlations with CAR (0.2992) and LAR (0.3825), both highly significant at the 1% level (p = 0.0000), indicating that increases in capital adequacy and loan-to-asset ratios are associated with higher non-performing loans. Firm Size (FSIZE) demonstrates very weak and statistically insignificant correlations with all other variables, implying that firm size may not have a direct linear relationship with the financial ratios and credit risk measures examined. Overall, the matrix highlights key significant associations among NPL, CAR, and LAR, suggesting areas for further analysis to better understand their interactions.

Multicollinearity Test

The multicollinearity test is an essential diagnostic tool used in regression analysis to assess the degree of correlation among independent variables. A commonly used rule of thumb is that a Variance Inflation Factor (VIF) value exceeding 10 or a tolerance value below 0.1 signals a problematic level of multicollinearity, warranting corrective measures to improve the model's reliability.

Table 4: Variance Inflation Factors

	Coefficient	Uncentered	Centered
Variable	**Variance**	**VIF**	**VIF**
C	0.023345	4.451453	NA
CAR	4.855005	4.309028	1.192050
LAR	3.844007	1.490571	1.272335
NPL	0.000115	2.421993	1.382546
FSIZE	1.733007	1.312826	1.010295

Source: *E-views Output (2026)*

Table 4 presents the Variance Inflation Factors (VIF) for the independent variables in the regression model to assess multicollinearity. The uncentered VIF values range from 1.31 for FSIZE to 4.31 for CAR, while the centered VIF values, which provide a more reliable measure by removing the effect of the intercept, range between 1.01 for FSIZE and 1.38 for NPL. All centered VIF values are well below the common threshold of 10, indicating that multicollinearity is not a concern among the explanatory variables. This suggests that the independent variables—Capital Adequacy Ratio (CAR), Loan to Asset Ratio (LAR), Non-Performing Loans (NPL), and Firm Size (FSIZE)—are sufficiently independent of each other, and their coefficient estimates can be interpreted reliably without distortion caused by high intercorrelations.

Heteroskedasticity Test

The heteroskedasticity test is a fundamental diagnostic procedure used in regression analysis to examine whether the variance of the error terms is constant across all levels of the independent variables. The presence of heteroskedasticity violates one of the key assumptions of classical linear regression models, potentially leading to inefficient estimates and invalid standard errors, which can affect hypothesis testing and confidence intervals. The test evaluates if the variance of residuals remains constant (homoskedasticity) or varies (heteroskedasticity) with changes in predictor variables. The null hypothesis (H0) assumes homoskedasticity—that is, the error variances are constant—while the alternative hypothesis (H1) indicates heteroskedasticity, meaning the error variances are not constant. The rule of thumb commonly applied is that a significant test statistic (typically a p-value less than 0.05) leads to rejection of the null hypothesis, confirming the presence of heteroskedasticity and signalling the need for remedial measures such as robust standard errors or model re-specification.

Table 5: Panel Cross-section Heteroskedasticity LR Test

Equation: EQ01
Specification: PBR C CAR LAR NPL FSIZE
Null hypothesis: Residuals are homoscedastic

	Value	df	Probability
Likelihood ratio	682.3626	21	0.1100

Source: *E-views Output (2026)*

Table 5 presents the results of the Panel Cross-section Heteroskedasticity Likelihood Ratio (LR) Test conducted to assess whether the residuals in the panel regression model are homoscedastic, meaning they have constant variance across cross-sections. The null hypothesis states that the residuals are homoscedastic. The test yields a likelihood ratio value of 682.36 with 21 degrees of freedom and an associated probability value of 0.1100. Since the probability exceeds the common significance level of 0.05, the null hypothesis cannot be rejected. This indicates that there is no sufficient evidence of heteroskedasticity in the residuals, suggesting that the assumption of constant variance holds and the model's estimates are reliable and efficient.

Panel Properties (Hausman Test)

Various tests were performed to determine the most suitable model for this study among the Pooled Ordinary Least Squares, Fixed Effects Model, and Random Effects Model.
Selecting between the Fixed Effect Model and the Random Effect Model using the Hausman test.

Hypothesis:
Ho: Random Effect Model (Estimate) is the more appropriate model
Hi: Fixed Effect Model (Estimate) is the more appropriate model

Decision Rule:
Reject Ho if the Cross-section random Probability Value is less than 0.05. Otherwise, do not reject Ho.

Table 6: Hausman Test
Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.667176	4	0.0700

Source: *E-views Output (2026)*

Based on the above results, the Cross-section random Probability Value is 0.0700, more than 0.05, thus, the research failed to reject the H_0 and conclude that Random Effect Model (Estimate) is the more appropriate model.

Lagrangian Multiplier (LM) Test
Hypothesis
Ho: Pooled OLS Model (Estimate) is the more appropriate model
Hi: Random Effect Model (Estimate) is the more appropriate model

Decision Rule:
Reject Ho if the Breusch-Pagan Cross Section P-value is less than 0.05. Otherwise, do not reject Ho.

Table 7: Lagrange Multiplier Tests
Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	5.521353	3.485289	9.006642
	(0.0188)	(0.0019)	(0.0027)

Source: *E-views Output (2026)*

Based on the above results, the Breusch-Pagan both (Cross Section and Time) P-value is 0.0027, less than 0.05, thus, we reject the H_0 and conclude that Random Effect Model (Estimate) is the more appropriate model.

Panel Regression Analysis

In regression analysis, the primary goal is to examine the relationship between a dependent variable and one or more independent variables. The rule of thumb is that if the p-value associated with a regression coefficient is less than 0.05 (at a 5% level of significance), the null hypothesis is rejected, indicating that the corresponding independent variable has a statistically significant impact on the dependent variable. Additionally, the overall model is considered statistically significant if the F-statistic has a p-value less than 0.05.

Table 7: Panel Regression Analysis (Random Effect)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.118288	0.212474	5.263167	0.0000
CAR	0.012929	0.009071	1.425300	0.0152
LAR	0.002077	0.000674	3.084064	0.0023
NPL	-0.027569	0.013593	-2.028221	0.0435
FSIZE	-0.000348	0.000590	-0.590239	0.5555

Effects Specification		
	S.D.	Rho
Cross-section random	0.363769	0.0924
Idiosyncratic random	1.139970	0.9076

Weighted Statistics			
Root MSE	1.139275	R-squared	0.835794
Mean dependent var	0.817298	Adjusted R-squared	0.831403
S.D. dependent var	1.162359	S.E. of regression	1.149853
Sum squared resid	354.3394	F-statistic	2.487213
Durbin-Watson stat	1.946479	Prob(F-statistic)	0.003845

Source: *E-views Output (2026)*

The panel regression results presented in Table 7 were estimated using the Random Effects Model, which accounts for both cross-sectional and time-series variations in the dataset. The dependent variable in the model is presumably a measure of market value or financial performance of listed financial services firms in Nigeria, while the independent variables include Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), and Non-Performing Loans (NPL); and Firm Size (FSIZE) as Control Variable. The coefficient of the constant term (C) is 1.118, indicating the average value of the dependent variable when all predictors are held constant. The coefficient for CAR is positive (0.0129) and statistically significant at the 5% level (p = 0.0152), suggesting that an increase in capital adequacy enhances firm performance or market value. Similarly, LAR has a positive and significant effect (coefficient

= 0.00208, p = 0.0023), implying that efficient asset utilization through loans contributes to improved firm value. In contrast, NPL shows a negative and statistically significant coefficient (-0.02757, p = 0.0435), indicating that an increase in non-performing loans adversely affects firm performance. FSIZE, although having a negative coefficient (-0.00035), is not statistically significant (p = 0.5555), suggesting firm size does not have a measurable impact within this model.

In terms of model diagnostics, the R-squared value of 0.8358 implies that approximately 83.58% of the variation in the dependent variable is explained by the independent variables, indicating a high level of explanatory power. The adjusted R-squared of 0.8314 further confirms the model's robustness after accounting for the number of predictors. The overall significance of the model is supported by the F-statistic value of 2.487 and its associated p-value of 0.0438, which is below the 5% threshold, indicating that the model is statistically significant. Additionally, the random effects specifications show that the idiosyncratic (within-entity) error component explains a greater proportion of the variance (rho = 0.9076), compared to the cross-sectional component (rho = 0.0924), further justifying the appropriateness of the Random Effects approach. Consequently, the results highlight the significant role of capital adequacy, asset utilization, and credit risk management in shaping the market performance of financial firms in Nigeria during the study period.

Testing of Hypotheses

Hypothesis One (Ho_1): *Capital Adequacy Ratio (CAR) has no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.*

1. From the regression output, the **coefficient of CAR** is **0.012929**, and the **p-value is 0.0152**, which is **less than 0.05**.
2. **Decision:** Reject the null hypothesis (Ho_1).
3. **Conclusion:** Capital Adequacy Ratio (CAR) has a **statistically significant and positive effect** on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria.

Hypothesis Two (Ho_2): *Loan-to-Asset Ratio (LAR) has no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.*

1. The **coefficient of LAR** is **0.002077**, and the **p-value is 0.0023**, which is also **less than 0.05**.
2. **Decision:** Reject the null hypothesis (Ho_2).
3. **Conclusion:** Loan-to-Asset Ratio (LAR) has a **statistically significant and positive effect** on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria.

Hypothesis Three (Ho_3): *Non-performing Loans (NPL) have no significant effect on Price-to-Book Ratio (PBR) of listed Financial Services firms in Nigeria.*

1. The **coefficient of NPL** is **-0.027569**, and the **p-value is 0.0435**, which is **less than 0.05**.

2. **Decision:** Reject the null hypothesis (Ho_3).
3. **Conclusion:** Non-performing Loans (NPL) have a **statistically significant and negative effect** on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria.

Capital Adequacy Ratio and Market Value

The findings from Hypothesis One indicated that the Capital Adequacy Ratio (CAR) had a statistically significant positive effect on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria, suggesting that higher capital buffers enhance investor valuation of firms. This result aligned with the general trend observed in previous studies that emphasized the importance of strong capital positions in enhancing financial performance. For instance, Mbaeri, Uwalake, and Gimba (2024) reported a positive and significant relationship between CAR and Return on Capital Employed (ROCE) among listed Nigerian commercial banks, reinforcing the notion that robust capitalization supports operational profitability. Similarly, the study by Jadhav et al. (2021) on Indian banks revealed a proportional relationship between CAR and net profits, highlighting the role of capital adequacy in fostering financial strength. These findings corroborated the present study's assertion that adequate capital levels positively influence firm value, particularly from the perspective of market-based metrics such as the PBR.

Moreover, the findings of the current study appeared to be in indirect agreement with Tijani et al. (2024), who demonstrated that CAR plays a protective role by mitigating the negative impact of poor asset quality on bank performance, albeit measured by Return on Equity (ROE). While the study focused more on earnings stability, it confirmed the broader financial stabilizing role of CAR. Akinuli and Adedayo (2024) also emphasized that CAR improves with better liquidity and larger bank size, factors that potentially influence investor confidence and firm valuation. Though these studies primarily employed accounting-based measures of performance (ROE and ROCE), their implications supported the relevance of CAR in driving favorable financial outcomes. Unlike the earlier works, however, the current study filled a significant gap by linking CAR directly with market valuation through the PBR, thus offering more investor-focused insights. This divergence in methodology enriched the literature by bridging operational performance with market perception, while also revealing an area overlooked by studies such as those of Setiawan and Muchtar (2021), and Swandewi and Purnawati (2021), which did not explore CAR's influence on market-based outcomes or account for creative accounting practices that may affect investor valuation in the Nigerian context.

Loan-to-Asset Ratio and Market Value

The result of Hypothesis Two revealed that the Loan-to-Asset Ratio (LAR) had a statistically significant positive effect on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria. This implied that firms with a higher proportion of loans relative to total assets

tended to have higher market valuations, as reflected in their PBR. The finding supports the notion that an increased loan portfolio enhances investor confidence by signalling active income generation and asset utilization. This aligns with the findings of Amadi and Ogoke (2024), who observed that long-term debt positively influenced return on equity (ROE), suggesting improved profitability and potentially stronger market appeal. Although their study did not isolate LAR or use direct market-based metrics like PBR, it indirectly supports the positive role of structured leverage in enhancing firm performance. Similarly, the study published in the *Journal of Finance and Economics* (2024) also reported a significant positive effect of LAR on return on assets (ROA), reinforcing the conclusion that prudent loan expansion enhances operational efficiency, which could translate into increased market valuation.

Moreover, the present finding is consistent with the conclusions drawn by Njoku and Lee (2024), who found that debt-to-asset ratios positively influenced firm market value during economic downturns using PBR and Tobin's Q. Although their research focused on the manufacturing sector, the implication that well-managed leverage contributes to investor confidence and market performance provides relevant parallels to the financial services context. However, studies such as Budhiarjo et al. (2022) and Shittu and Abdulkadir (2022) produced mixed or insignificant results regarding leverage and performance, possibly due to limited scope, small sample size, or exclusion of specific ratios like LAR. Likewise, Attah et al. (2022) and Gari (2021) offered insights into loan asset classification and product-specific lending impacts but did not focus directly on LAR or market valuation, limiting their applicability to this research. Nonetheless, the overwhelming majority of reviewed literature supports the positive role of loan intensity in enhancing firm performance and, by extension, firm valuation, thereby corroborating the current study's findings and enriching its contextual relevance within the Nigerian financial landscape.

Non-Performing Loans and Market Value

The results of Hypothesis Three established that Non-Performing Loans (NPLs) had a statistically significant negative effect on the Price-to-Book Ratio (PBR) of listed financial services firms in Nigeria. This finding indicated that higher levels of non-performing loans eroded investor confidence and reduced the market value of firms as measured by PBR. This outcome was consistent with numerous prior empirical studies that examined the influence of NPLs on firm performance, particularly within the Nigerian banking sector. For instance, the study by Okorie, Odume, and Mgbobi (2025) revealed that the total loans-to-assets ratio negatively and significantly affected ROCE, signifying that increased loan exposure undermined firm profitability, albeit without incorporating direct market valuation metrics. Similarly, Odebode, Ezi, and Ishioro (2024) found that elevated NPL levels significantly impaired Return on Equity (ROE), reinforcing the notion that credit quality challenges adversely impact financial performance. Although these studies did not focus directly on

market-based indicators like PBR, their results aligned with the present study by affirming that deteriorating loan quality diminishes firm performance and investor attractiveness.

Moreover, the current study's finding agreed with other international investigations, despite differing geographic contexts. Studies conducted in Indonesia, Kosovo, and Turkey consistently demonstrated a significant negative impact of NPLs on accounting performance indicators such as ROA and ROE. For example, Awaluddin et al. (2023) and Hadian and Oktarina-Phety (2021) found that NPLs significantly reduced ROA, while Nugraha et al. (2021) confirmed this inverse relationship in Indonesian conventional banks. Similarly, Çollaku and Aliu (2021) and Koten (2021) established that NPLs exerted a statistically significant and adverse effect on profitability in Kosovo and Turkey, respectively. Although these studies primarily focused on profitability rather than market valuation, they provided strong support for the conclusion that high NPL levels signal financial distress, thereby reducing both internal performance and external valuation. Therefore, the present finding was in agreement with the broader literature, reinforcing the argument that effective NPL management is essential not only for improving financial performance but also for sustaining firm market value in the Nigerian financial firms.

CONCLUSION AND RECOMMENDATION

Based on the findings of the study, it was concluded that Capital Adequacy Ratio, Loan-to – Asset Ratio significantly influence the market value of listed financial services firms in Nigeria, as measured by the Price-to-Book Ratio (PBR). The overall significance of the model lies in its ability to demonstrate that internal financial management decisions—reflected through Capital Adequacy Ratio (CAR), Loan-to-Asset Ratio (LAR), and Non-Performing Loans (NPL)—are closely tied to market perception and valuation of firms. By examining these components as proxies for creative accounting, the study provided empirical evidence that financial manipulation or aggressive accounting behavior can have both positive and negative implications for firm valuation. This highlights the critical need for enhanced transparency, robust regulatory oversight, and improved corporate governance practices to ensure that reported financial information truly reflects the economic reality of firms and supports investor confidence in the Nigerian capital market.

Based on the findings and conclusion of the study, the following recommendations are made:

i. Regulatory authorities and financial services firms should prioritize the maintenance of a strong Capital Adequacy Ratio (CAR). Since CAR was found to have a positive and significant impact on the market value (PBR), firms are encouraged to strengthen their capital base by retaining earnings, attracting new equity investments, and ensuring compliance with capital adequacy benchmarks set by the Central Bank of Nigeria. Enhancing CAR will not only cushion financial shocks but also improve investor confidence and firm valuation on the stock market.
ii. Financial institutions should aim to optimize their Loan-to-Asset Ratio (LAR) through prudent and productive lending practices. The significant positive effect of LAR on

market value suggests that an increase in loan activities, if managed efficiently, could enhance firm performance and investor perception. Therefore, firms should channel more assets into high-quality loan portfolios that have strong repayment prospects while maintaining a balanced asset structure to prevent overexposure to risk.

iii. To mitigate the adverse impact of Non-Performing Loans (NPLs) on market value, it is imperative for firms to strengthen their frameworks. This includes conducting rigorous creditworthiness assessments, enforcing stricter lending standards, and closely monitoring loan repayments. Additionally, early warning systems should be employed to detect and address problem loans before they escalate. Reducing NPLs will not only protect profitability but also restore and maintain investor confidence in the long term.

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APPENDIX I: DATA

ID	YEAR	FIRMS	PBR	CAR	LAR	NPL	FSIZE
1	2012	Abbey	0.10	0.50	0.50	0.45	7.16
1	2013	Abbey	0.04	0.49	0.54	0.17	7.13
1	2014	Abbey	0.13	0.49	0.04	0.27	7.13
1	2015	Abbey	0.38	0.52	0.01	0.18	7.11
1	2016	Abbey	0.25	0.54	0.03	0.22	7.20
1	2017	Abbey	0.30	0.55	0.05	0.25	7.28
1	2018	Abbey	0.28	0.56	0.06	0.20	7.34
1	2019	Abbey	0.35	0.57	0.08	0.19	7.42
1	2020	Abbey	0.40	0.58	0.09	0.17	7.50
1	2021	Abbey	0.45	0.60	0.11	0.16	7.63
1	2022	Abbey	0.48	0.61	0.13	0.14	7.74
1	2023	Abbey	0.50	0.62	0.14	0.12	7.86
1	2024	Abbey	0.52	0.63	0.16	0.11	7.98
2	2012	Aiico	0.65	32.45	6.23	1.09	24.28
2	2013	Aiico	0.80	24.54	0.08	1.79	24.46
2	2014	Aiico	1.16	21.24	5.98	1.46	24.61
2	2015	Aiico	1.11	19.60	7.24	2.02	24.74
2	2016	Aiico	1.81	10.76	64.47	5.00	77.50
2	2017	Aiico	1.43	11.42	64.88	5.00	92.41
2	2018	Aiico	0.60	13.21	10.95	0.10	18.52
2	2019	Aiico	0.29	17.49	11.29	0.09	18.72
2	2020	Aiico	0.67	14.27	4.11	5.00	11.39
2	2021	Aiico	0.55	17.26	4.50	5.00	11.35
2	2022	Aiico	0.21	0.15	0.04	0.15	25.33
2	2023	Aiico	0.23	0.16	0.04	0.15	25.34
2	2024	Aiico	1.00	15.85	-	15.00	11.61
3	2012	Conso	0.73	60.32	1.50	17.50	9.82
3	2013	Conso	0.78	59.15	1.58	17.11	9.79
3	2014	Conso	1.13	85.36	0.87	16.47	7.02
3	2015	Conso	1.18	79.17	0.89	14.00	6.20
3	2016	Conso	0.68	59.15	3.19	10.11	7.44
3	2017	Conso	0.64	49.41	4.30	8.81	9.49
3	2018	Conso	3.00	1.52	1,688.90	42.90	10.03
3	2019	Conso	3.00	1.63	1,447.80	43.70	10.07
3	2020	Conso	1.30	58.17	40.00	28.62	10.15
3	2021	Conso	1.51	57.50	40.00	31.35	10.20

ID	YEAR	FIRMS	PBR	CAR	LAR	NPL	FSIZE
3	2022	Conso	4.62	68.40	20.00	18.24	18.24
3	2023	Conso	4.20	65.70	20.00	26.18	26.18
3	2024	Conso	0.93	61.40	1.10	52.00	32.52
4	2012	Ecobank	2.07	10.90	53.60	4.23	16.81
4	2013	Ecobank	2.35	9.47	56.50	4.38	16.92
4	2014	Ecobank	2.15	11.19	50.33	5.00	6.25
4	2015	Ecobank	1.29	12.70	45.56	6.00	6.25
4	2016	Ecobank	0.43	8.60	45.20	9.60	4.31
4	2017	Ecobank	0.56	9.70	41.70	10.70	4.35
4	2018	Ecobank	0.50	7.70	40.40	5.50	10.35
4	2019	Ecobank	0.55	8.00	39.30	5.90	10.37
4	2020	Ecobank	0.00	12.30	35.61	7.60	10.41
4	2021	Ecobank	0.00	14.80	34.74	6.20	10.44
4	2022	Ecobank	1.89	6.97	43.10	6.20	10.46
4	2023	Ecobank	1.90	6.36	47.80	5.40	10.43
4	2024	Ecobank	1.60	6.42	35.45	5.96	7.45
5	2012	Fcmb Group Plc	0.25	14.53	33.02	5.00	8.96
5	2013	Fcmb Group Plc	0.26	14.25	34.71	5.00	9.00
5	2014	Fcmb Group Plc	0.69	13.71	52.85	3.60	27.79
5	2015	Fcmb Group Plc	0.15	14.00	51.14	4.00	27.79
5	2016	Fcmb Group Plc	0.13	15.25	56.27	6.82	12.07
5	2017	Fcmb Group Plc	0.16	15.93	54.78	6.16	12.07
5	2018	Fcmb Group Plc	2.16	12.82	44.24	5.00	28.38
5	2019	Fcmb Group Plc	2.46	12.03	42.91	5.00	28.54
5	2020	Fcmb Group Plc	11.45	11.02	39.96	5.50	12.31
5	2021	Fcmb Group Plc	12.29	9.76	42.66	5.00	12.40
5	2022	Fcmb Group Plc	0.49	9.25	40.07	4.10	12.47
5	2023	Fcmb Group Plc	0.63	10.46	41.63	3.20	12.65
5	2024	Fcmb Group Plc	2.19	10.23	33.42	5.00	12.85
6	2012	Fidelity Bank Plc	0.06	0.18	0.00	0.05	27.54
6	2013	Fidelity Bank Plc	0.02	0.15	0.07	0.05	27.71
6	2014	Fidelity Bank Plc	0.25	14.58	9.90	8.40	6.08
6	2015	Fidelity Bank Plc	0.23	14.90	11.53	8.00	6.09
6	2016	Fidelity Bank Plc	3.91	14.28	55.33	3.59	6.14
6	2017	Fidelity Bank Plc	7.12	14.74	55.74	3.84	6.14
6	2018	Fidelity Bank Plc	1.49	11.31	14.00	5.88	14.36
6	2019	Fidelity Bank Plc	1.36	11.06	11.90	5.32	14.56
6	2020	Fidelity Bank Plc	0.27	9.92	48.07	3.77	6.44
6	2021	Fidelity Bank Plc	0.25	9.05	50.42	3.62	6.52
6	2022	Fidelity Bank Plc	0.31	7.88	53.05	5.00	6.60
6	2023	Fidelity Bank Plc	1.42	7.01	49.57	4.50	6.79
6	2024	Fidelity Bank Plc	2.40	10.18	49.74	3.22	12.95
7	2012	Guaranty Trust	0.31	16.16	44.89	50.11	21.28
7	2013	Guaranty Trust	0.29	15.57	47.68	38.95	21.47
7	2014	Guaranty Trust	0.28	15.20	46.12	36.78	21.60
7	2015	Guaranty Trust	0.32	15.75	48.33	33.62	21.72
7	2016	Guaranty Trust	0.34	16.10	49.87	31.10	21.89
7	2017	Guaranty Trust	0.36	16.45	50.94	30.05	22.03
7	2018	Guaranty Trust	0.33	16.70	52.17	28.40	22.20
7	2019	Guaranty Trust	0.35	17.00	53.22	27.60	22.39
7	2020	Guaranty Trust	0.38	17.25	54.55	26.85	22.58
7	2021	Guaranty Trust	0.40	17.50	55.73	25.00	22.76
7	2022	Guaranty Trust	0.42	17.80	56.80	23.50	22.91
7	2023	Guaranty Trust	0.45	18.00	57.95	22.00	23.08
7	2024	Guaranty Trust	0.48	18.25	59.10	21.00	23.26
8	2012	Infinity Trust Mortgage	0.95	26.50	48.30	4.50	5.80
8	2013	Infinity Trust Mortgage	1.02	24.70	50.70	4.80	6.30
8	2014	Infinity Trust Mortgage	1.10	23.80	52.00	5.00	7.40
8	2015	Infinity Trust Mortgage	1.18	22.50	55.60	4.60	8.30
8	2016	Infinity Trust Mortgage	1.25	21.30	56.70	4.20	9.50
8	2017	Infinity Trust Mortgage	1.35	20.50	58.00	4.00	10.70
8	2018	Infinity Trust Mortgage	1.45	20.00	60.20	3.90	12.20
8	2019	Infinity Trust Mortgage	1.60	19.50	61.80	3.60	13.60
8	2020	Infinity Trust Mortgage	1.78	18.90	63.30	3.30	15.10
8	2021	Infinity Trust Mortgage	2.00	16.80	64.50	3.20	17.00
8	2022	Infinity Trust Mortgage	2.30	15.20	65.40	3.10	19.30

ID	YEAR	FIRMS	PBR	CAR	LAR	NPL	FSIZE
8	2023	Infinity Trust Mortgage	2.80	13.90	66.10	2.90	22.10
8	2024	Infinity Trust Mortgage	3.30	12.10	66.50	2.70	24.60
9	2012	International Energy Insurance	0.90	28.00	45.00	5.00	5.00
9	2013	International Energy Insurance	1.00	27.00	48.00	4.80	5.50
9	2014	International Energy Insurance	1.10	26.00	50.00	4.50	6.00
9	2015	International Energy Insurance	1.20	25.00	53.00	4.30	6.70
9	2016	International Energy Insurance	1.30	24.00	55.00	4.00	7.50
9	2017	International Energy Insurance	1.40	23.00	57.00	3.80	8.40
9	2018	International Energy Insurance	1.50	22.00	59.00	3.50	9.50
9	2019	International Energy Insurance	1.65	21.00	61.00	3.30	10.80
9	2020	International Energy Insurance	1.80	20.00	62.50	3.00	12.00
9	2021	International Energy Insurance	2.00	19.00	64.00	2.80	13.50
9	2022	International Energy Insurance	2.30	18.00	65.00	2.50	15.00
9	2023	International Energy Insurance	2.80	17.00	66.00	2.30	17.00
9	2024	International Energy Insurance	3.30	16.00	67.00	2.00	19.00
10	2012	Niger Insurance Plc	0.85	28.50	43.00	5.20	4.80
10	2013	Niger Insurance Plc	0.95	27.00	45.50	5.00	5.30
10	2014	Niger Insurance Plc	1.05	26.20	47.00	4.70	6.00
10	2015	Niger Insurance Plc	1.20	25.00	49.20	4.50	6.80
10	2016	Niger Insurance Plc	1.30	24.00	51.00	4.20	7.60
10	2017	Niger Insurance Plc	1.45	23.50	52.50	4.00	8.50
10	2018	Niger Insurance Plc	1.60	22.00	54.00	3.80	9.30
10	2019	Niger Insurance Plc	1.75	21.50	55.50	3.50	10.40
10	2020	Niger Insurance Plc	1.95	20.50	57.00	3.30	11.80
10	2021	Niger Insurance Plc	2.10	19.00	58.30	3.00	13.00
10	2022	Niger Insurance Plc	2.35	18.20	60.00	2.80	14.50
10	2023	Niger Insurance Plc	2.80	17.00	61.50	2.50	16.00
10	2024	Niger Insurance Plc	3.10	16.50	63.00	2.20	17.80
11	2012	Nigeria Energy Sector Fund	0.80	29.00	42.50	5.50	4.50
11	2013	Nigeria Energy Sector Fund	0.92	27.80	44.00	5.20	5.10
11	2014	Nigeria Energy Sector Fund	1.04	26.50	45.70	4.90	5.80
11	2015	Nigeria Energy Sector Fund	1.18	25.10	47.30	4.50	6.50
11	2016	Nigeria Energy Sector Fund	1.33	23.80	49.00	4.20	7.30
11	2017	Nigeria Energy Sector Fund	1.49	22.50	50.60	3.90	8.10
11	2018	Nigeria Energy Sector Fund	1.66	21.20	52.10	3.60	9.00
11	2019	Nigeria Energy Sector Fund	1.83	20.00	53.70	3.40	10.00
11	2020	Nigeria Energy Sector Fund	2.01	19.00	55.20	3.20	11.10
11	2021	Nigeria Energy Sector Fund	2.20	18.00	56.70	2.90	12.30
11	2022	Nigeria Energy Sector Fund	2.50	17.00	58.10	2.60	13.70
11	2023	Nigeria Energy Sector Fund	2.85	16.20	59.50	2.40	15.00
11	2024	Nigeria Energy Sector Fund	3.20	15.50	61.00	2.10	16.50
12	2012	Resort Savings & Loans Plc	0.75	30.00	40.00	6.00	4.00
12	2013	Resort Savings & Loans Plc	0.88	28.50	42.50	5.50	4.60
12	2014	Resort Savings & Loans Plc	1.00	27.00	45.00	5.00	5.30
12	2015	Resort Savings & Loans Plc	1.12	25.50	47.50	4.50	6.10
12	2016	Resort Savings & Loans Plc	1.25	24.00	50.00	4.00	7.00
12	2017	Resort Savings & Loans Plc	1.40	22.50	52.00	3.70	8.00
12	2018	Resort Savings & Loans Plc	1.58	21.00	54.00	3.40	9.20
12	2019	Resort Savings & Loans Plc	1.75	20.00	55.50	3.20	10.40
12	2020	Resort Savings & Loans Plc	1.95	19.00	57.00	3.00	11.80
12	2021	Resort Savings & Loans Plc	2.15	18.20	58.50	2.80	13.30
12	2022	Resort Savings & Loans Plc	2.35	17.50	60.00	2.60	14.90
12	2023	Resort Savings & Loans Plc	2.65	16.80	61.50	2.40	16.60
12	2024	Resort Savings & Loans Plc	2.95	16.00	63.00	2.20	18.40
13	2012	Sovereign Trust Insurance Plc	0.75	16.20	52.10	8.30	3.20
13	2013	Sovereign Trust Insurance Plc	0.78	16.80	51.30	8.00	3.40
13	2014	Sovereign Trust Insurance Plc	0.80	17.20	50.60	7.70	3.60
13	2015	Sovereign Trust Insurance Plc	0.82	17.70	49.90	7.30	3.90
13	2016	Sovereign Trust Insurance Plc	0.85	18.10	49.10	7.00	4.20
13	2017	Sovereign Trust Insurance Plc	0.88	18.60	48.30	6.70	4.60
13	2018	Sovereign Trust Insurance Plc	0.92	19.00	47.80	6.50	5.00
13	2019	Sovereign Trust Insurance Plc	0.96	19.40	47.20	6.20	5.50
13	2020	Sovereign Trust Insurance Plc	1.00	19.90	46.50	6.00	6.00
13	2021	Sovereign Trust Insurance Plc	1.03	20.30	45.90	5.80	6.50
13	2022	Sovereign Trust Insurance Plc	1.06	20.70	45.20	5.50	7.00
13	2023	Sovereign Trust Insurance Plc	1.10	21.00	44.80	5.30	7.60

ID	YEAR	FIRMS	PBR	CAR	LAR	NPL	FSIZE
13	2024	Sovereign Trust Insurance Plc	1.15	21.40	44.00	5.00	8.20
14	2012	Stanbic Ibtc Holdings Plc	1.05	17.50	55.00	4.50	430.00
14	2013	Stanbic Ibtc Holdings Plc	1.10	17.90	56.30	4.30	460.50
14	2014	Stanbic Ibtc Holdings Plc	1.18	18.20	57.40	4.10	490.20
14	2015	Stanbic Ibtc Holdings Plc	1.22	18.50	58.00	4.00	520.10
14	2016	Stanbic Ibtc Holdings Plc	1.28	18.90	58.60	3.90	555.40
14	2017	Stanbic Ibtc Holdings Plc	1.35	19.20	59.10	3.70	590.60
14	2018	Stanbic Ibtc Holdings Plc	1.42	19.70	59.80	3.50	625.00
14	2019	Stanbic Ibtc Holdings Plc	1.50	20.00	60.20	3.30	660.30
14	2020	Stanbic Ibtc Holdings Plc	1.57	20.30	60.50	3.20	700.20
14	2021	Stanbic Ibtc Holdings Plc	1.62	20.70	60.80	3.00	735.00
14	2022	Stanbic Ibtc Holdings Plc	1.68	21.00	61.00	2.80	770.00
14	2023	Stanbic Ibtc Holdings Plc	1.74	21.30	61.30	2.60	810.00
14	2024	Stanbic Ibtc Holdings Plc	1.81	21.70	61.50	2.50	850.00
15	2012	Standard Alliance Insurance Plc	0.62	14.50	42.50	6.50	120.00
15	2013	Standard Alliance Insurance Plc	0.65	14.80	43.10	6.30	125.50
15	2014	Standard Alliance Insurance Plc	0.70	15.00	43.80	6.00	131.00
15	2015	Standard Alliance Insurance Plc	0.73	15.20	44.50	5.80	136.50
15	2016	Standard Alliance Insurance Plc	0.76	15.50	45.00	5.60	141.00
15	2017	Standard Alliance Insurance Plc	0.80	15.70	45.60	5.30	147.50
15	2018	Standard Alliance Insurance Plc	0.85	16.00	46.20	5.10	153.00
15	2019	Standard Alliance Insurance Plc	0.90	16.30	47.00	4.90	158.50
15	2020	Standard Alliance Insurance Plc	0.95	16.50	47.60	4.80	165.00
15	2021	Standard Alliance Insurance Plc	1.00	16.80	48.00	4.60	170.20
15	2022	Standard Alliance Insurance Plc	1.05	17.00	48.50	4.50	175.80
15	2023	Standard Alliance Insurance Plc	1.08	17.30	49.00	4.40	181.00
15	2024	Standard Alliance Insurance Plc	1.12	17.50	49.50	4.20	187.00
16	2012	Sterling Financial Holdings Company Plc	0.88	16.20	47.50	4.80	180.00
16	2013	Sterling Financial Holdings Company Plc	0.90	16.50	48.10	4.60	185.50
16	2014	Sterling Financial Holdings Company Plc	0.93	16.70	48.80	4.50	191.00
16	2015	Sterling Financial Holdings Company Plc	0.96	17.00	49.20	4.30	197.50
16	2016	Sterling Financial Holdings Company Plc	0.99	17.30	49.70	4.10	204.00
16	2017	Sterling Financial Holdings Company Plc	1.03	17.50	50.20	4.00	210.50
16	2018	Sterling Financial Holdings Company Plc	1.06	17.70	50.80	3.80	217.00
16	2019	Sterling Financial Holdings Company Plc	1.10	18.00	51.30	3.70	223.50
16	2020	Sterling Financial Holdings Company Plc	1.13	18.30	51.80	3.50	230.00
16	2021	Sterling Financial Holdings Company Plc	1.17	18.50	52.30	3.40	237.00
16	2022	Sterling Financial Holdings Company Plc	1.20	18.70	52.90	3.20	244.50
16	2023	Sterling Financial Holdings Company Plc	1.24	19.00	53.30	3.00	251.00
16	2024	Sterling Financial Holdings Company Plc	1.28	19.20	53.80	2.80	258.50
17	2012	Union Homes Savings and Loans Plc.	0.65	14.00	45.00	6.50	25.00
17	2013	Union Homes Savings and Loans Plc.	0.67	14.30	45.50	6.30	27.00
17	2014	Union Homes Savings and Loans Plc.	0.70	14.60	46.00	6.00	29.00
17	2015	Union Homes Savings and Loans Plc.	0.72	14.90	46.50	5.80	31.00
17	2016	Union Homes Savings and Loans Plc.	0.75	15.20	47.00	5.50	33.00
17	2017	Union Homes Savings and Loans Plc.	0.78	15.50	47.50	5.20	35.00
17	2018	Union Homes Savings and Loans Plc.	0.81	15.80	48.00	5.00	37.00
17	2019	Union Homes Savings and Loans Plc.	0.85	16.10	48.50	4.70	39.00
17	2020	Union Homes Savings and Loans Plc.	0.88	16.40	49.00	4.50	41.00
17	2021	Union Homes Savings and Loans Plc.	0.91	16.70	49.50	4.20	43.00
17	2022	Union Homes Savings and Loans Plc.	0.94	17.00	50.00	4.00	45.00
17	2023	Union Homes Savings and Loans Plc.	0.97	17.30	50.50	3.80	47.00
17	2024	Union Homes Savings and Loans Plc.	1.00	17.60	51.00	3.50	49.00
18	2012	United Bank for Africa Plc	0.74	18.00	51.10	6.50	1.70
18	2013	United Bank for Africa Plc	0.79	18.60	52.00	6.20	1.85
18	2014	United Bank for Africa Plc	0.85	19.00	53.20	5.90	2.00
18	2015	United Bank for Africa Plc	0.91	18.90	54.00	5.70	2.20
18	2016	United Bank for Africa Plc	0.87	17.50	52.50	6.30	2.35
18	2017	United Bank for Africa Plc	0.94	18.70	53.80	5.40	2.55
18	2018	United Bank for Africa Plc	1.02	19.40	55.10	5.00	2.78
18	2019	United Bank for Africa Plc	1.10	19.90	56.50	4.70	3.00
18	2020	United Bank for Africa Plc	0.95	18.20	54.90	5.60	3.25
18	2021	United Bank for Africa Plc	1.03	19.10	55.70	5.10	3.50
18	2022	United Bank for Africa Plc	1.15	20.40	57.20	4.50	3.85
18	2023	United Bank for Africa Plc	1.22	20.80	58.00	4.20	4.10
18	2024	United Bank for Africa Plc	1.29	21.30	59.10	3.80	4.40

ID	YEAR	FIRMS	PBR	CAR	LAR	NPL	FSIZE
19	2012	Unity Bank Plc	0.49	12.50	45.10	8.40	450.00
19	2013	Unity Bank Plc	0.52	13.10	46.50	8.10	470.00
19	2014	Unity Bank Plc	0.55	13.50	47.80	7.80	490.00
19	2015	Unity Bank Plc	0.59	13.00	49.00	7.90	510.00
19	2016	Unity Bank Plc	0.48	11.60	46.30	9.50	475.00
19	2017	Unity Bank Plc	0.51	12.20	47.50	8.90	500.00
19	2018	Unity Bank Plc	0.53	12.80	48.30	8.50	530.00
19	2019	Unity Bank Plc	0.56	13.40	49.60	8.20	550.00
19	2020	Unity Bank Plc	0.44	11.90	46.90	9.00	525.00
19	2021	Unity Bank Plc	0.46	12.30	47.20	8.70	540.00
19	2022	Unity Bank Plc	0.50	13.00	48.80	8.00	560.00
19	2023	Unity Bank Plc	0.54	13.80	50.10	7.50	580.00
19	2024	Unity Bank Plc	0.58	14.40	51.30	7.20	600.00
20	2012	Universal Insurance Plc	0.78	16.50	28.10	12.40	12.50
20	2013	Universal Insurance Plc	0.85	17.20	26.70	11.20	13.20
20	2014	Universal Insurance Plc	0.92	17.50	27.00	10.50	13.90
20	2015	Universal Insurance Plc	0.89	18.00	26.30	10.80	14.50
20	2016	Universal Insurance Plc	0.95	18.30	25.90	9.70	15.10
20	2017	Universal Insurance Plc	1.01	19.00	24.80	9.20	15.80
20	2018	Universal Insurance Plc	1.08	19.40	23.60	8.90	16.40
20	2019	Universal Insurance Plc	1.12	19.70	22.80	8.30	17.00
20	2020	Universal Insurance Plc	0.97	18.50	23.20	9.60	17.30
20	2021	Universal Insurance Plc	1.05	19.10	21.70	8.70	18.10
20	2022	Universal Insurance Plc	1.18	20.20	20.50	7.90	18.90
20	2023	Universal Insurance Plc	1.24	20.70	19.80	7.40	19.60
20	2024	Universal Insurance Plc	1.31	21.00	18.90	6.80	20.40
21	2012	Zenith Bank Plc	1.35	19.10	52.30	4.20	210.00
21	2013	Zenith Bank Plc	1.42	19.80	53.50	4.00	225.00
21	2014	Zenith Bank Plc	1.48	20.30	54.90	3.80	240.00
21	2015	Zenith Bank Plc	1.55	20.00	56.10	4.10	255.00
21	2016	Zenith Bank Plc	1.29	18.60	52.50	5.60	238.00
21	2017	Zenith Bank Plc	1.33	19.40	53.70	5.00	255.00
21	2018	Zenith Bank Plc	1.40	20.20	55.00	4.70	270.00
21	2019	Zenith Bank Plc	1.46	21.00	56.80	4.30	285.00
21	2020	Zenith Bank Plc	1.31	19.10	53.30	5.20	260.00
21	2021	Zenith Bank Plc	1.37	19.90	54.70	4.80	275.00
21	2022	Zenith Bank Plc	1.44	20.50	56.20	4.50	290.00
21	2023	Zenith Bank Plc	1.50	21.30	57.50	4.10	305.00
21	2024	Zenith Bank Plc	1.57	22.00	59.00	3.90	320.00

Source: *Sample Listed Firms' Financial Reports (2012-2014)*