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COVID-19 pandemic and the relevance of accounting information in equity valuation among the listed financial service firms in Nigeria

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Abstract
Purpose: This study investigates the impact of COVID-19 on the relevance of accounting information for equity valuation among listed financial service firms in Nigeria.
Methodology: The period of the study is 2016-2024. Using a correlational research design, data were sourced from the annual reports and Cash Craft Stockbroker website. The population comprised 49 listed financial service firms as of 31st December 2022, from which 34 firms were sampled. Two panel regression models were estimated each for pre-pandemic and post-pandemic respectively.
Findings: Findings reveal a post-pandemic decline in the value relevance of earnings, while book value became statistically insignificant. However, dividend relevance increased, cash flow from operations lost its predictive power after the Pandemic.
Implications: Based on the results, earnings, dividend, and cash flow from operations be prioritized in share price valuation across both stable and crisis periods. However, book value should not be used in the post-pandemic. Financial service firms should enhance earnings and maintain dividends to boost firm value and investor confidence. Effective management of book value and cash flows aligned with industry average.
Originality: The study contributes to the literature by providing insights on the effect of COVID-19 on the relevance of accounting information on equity valuation among the listed financial service firms in Nigeria offering a valuable insight to investors in the sector.
Limitations and directions for future research: This study is on Nigerian financial service firms; future research could explore other sectors or countries.

Keywords: Accounting information, COVID-19, financial service firms, share price

1. Introduction
The idea of value relevance in accounting and finance has been a key area of research for many years. Essentially, it looks at how well stock prices capture the information found in financial statements. When accounting data shows a clear connection with a company's market value, it's considered value relevant. Accounting acts as an information system, helping stakeholders make informed economic decisions (Bello, 2009) [4]. For this system to work, the information must be timely, unbiased, and accurately reflect a company's financial health (IASB, 2018) [13].

Investors in capital markets rely heavily on the quality and availability of financial data. To ensure this, Nigeria's Companies and Allied Matters Act (CAMA, 2020) [27] requires first-tier companies listed on the Nigerian Stock Exchange to submit semi-annual and annual financial reports to the Securities and Exchange Commission within 90 days after their financial year ends. Second-tier firms only need to file annual statements. These rules help keep financial data timely and useful for investment decisions (SEC Nigeria, 2021) [27].

Investors whether individuals or institutions make decisions based on different strategies. Most expect returns that match the level of risk they take (Pandey, 2010) [26]. Like any profit-driven business, Nigerian financial service firms aim to maximize returns. Many investors focus on profitability since it affects dividends and a company's ability to meet financial obligations. A firm that performs poorly may struggle to keep stakeholders satisfied.

However, some investors, as Omokhudu and Ibadin (2015) [23] point out, look beyond dividends. They assess a company's intrinsic value, size, and reputation both locally and globally even if it hasn't paid dividends consistently.

These long-term investors often consider book value, believing tangible assets can cushion losses in tough times. On the other hand, dividend-focused investors prefer firms with strong, steady payout records. Their demand for such stocks can drive share prices up.

For another group, profitability isn't enough-they dig deeper into earnings composition, especially cash versus credit income. High credit-based earnings may mean greater risk and collection costs, which can hurt financial stability in the long run (Omolehinwa, 2021) [25]. Additionally, Nigerian financial firms vary widely in size, measured by assets, turnover, market reach, and competitive strength. These differences, built over years of operation, often impact performance (Omolehinwa, 2021) [25], making firm size another key factor for investors.

When COVID-19 hit in late 2019, it caused massive disruptions worldwide. The pandemic led to severe health crises, lockdowns, and economic turmoil, disrupting supply chains and financial markets globally. The IMF (2020) compared the downturn to the 1930s Great Depression. Nigeria's capital market wasn't spared. Trading activity, the all-share index, and market capitalization dropped sharply. Physical trading was halted for weeks in early 2020, forcing a shift to digital platforms (Nigerian Exchange Group [NGX Group], 2023).

Financial services firms-banks and insurers-had to adapt quickly. With mobility restrictions, digital transactions surged, speeding up the adoption of online banking. Share prices plunged in early 2020 but rebounded strongly by August 2023, even surpassing pre-pandemic levels in some cases (Cashcraft Asset Management Company, 2023). For example: Lasaco Assurance Plc started 2020 at ₦0.25, fell to ₦0.21 in March 2020, but climbed to ₦1.76 by August 2023. Additionally, NEM Insurance Plc dropped from ₦2.40 to ₦1.59, then rose to ₦5.12. Fidelity Bank Plc went from ₦2.02 to ₦1.70, then jumped to ₦6.95. Zenith Bank Plc slid from ₦9.90 to ₦12.15 before soaring to ₦32.90. The above shows that, COVID-19 has negatively affected the share prices, but as of August 2023, the prices had surpassed the opening for the year 2020.

While past studies have examined COVID-19's impact on firm value, many had narrow scopes or weaker methods. Yuliwaryati *et al*. (2020) [31] studied just 20 days around Indonesia's pandemic announcement. Kumar and Kumara (2020) [16] analyzed five months of Indian data, while Thomas *et al*. (2020) [29] used graphs to track market performance. Burhanuddin and Rahayu (2021) [5] relied on surveys. These gaps call for deeper, longer-term analysis in Nigeria.

This study fills that gap by using the Chow test (Chow, 1960) to compare accounting variables before and after COVID-19. It also adjusts the Ohlson (1995) [20] model to include dividends, cash flow, and firm size. Given the shifts in share prices post-pandemic, the research tests whether accounting information's value relevance changed for Nigeria's financial service firms. As for the foregoing, the following hypothesis have been developed and tested empirically.

- **H0$_1$:** The value relevance of accounting earning was not affected by COVID-19 Pandemic among the listed financial service firms in Nigeria.
- **H0$_2$:** The value relevance of accounting book value of equity was not affected by COVID-19 Pandemic among the listed financial service firms in Nigeria.
- **H0$_3$:** The value relevance of accounting dividend was not affected by COVID-19 Pandemic among the listed financial service firms in Nigeria.
- **H0$_4$:** The value relevance of accounting cash flow from operations was not affected by COVID-19 Pandemic among the listed financial service firms in Nigeria.

2. Literature Review

Under this section, the study reviewed related studies in the literature, as well as the theory selected to underpin the study.

2. Review of Empirical studies

Islam *et al*. (2014) [15] focused on 22 banks in Bangladesh, the study showed that EPS is one of the strongest signals investors look at. However, they pointed out that share prices don't always move in lockstep with EPS, because larger macroeconomic conditions like inflation or overall market stability can either increase or decrease the impact. Interestingly, they also looked at dividend per share (DPS) and concluded that, although dividends matter, their influence on share price is not as strong as EPS.

Additionally, Okafor *et al.* (2017) [21] studied cash flow from operations focusing on firms listed on the NGX between 2006 and 2016, they discovered that cash flows have extra explanatory power beyond what EPS and BVPS could offer, particularly in the period after IFRS adoption. This highlights that investors don't just care about accounting profits; they also pay attention to whether a company is truly generating cash from its core business activities.

Moreover, Ewereoke (2018) [10] and Okafor *et al*. (2017) [21] When it comes to dividends, Ewereoke and Okafor *et al.* found that regular dividend payouts can boost investor confidence and, by extension, share price. This effect was especially noticeable in consumer goods companies and banks, where dividends are often seen as a sign of financial health and management confidence. Even though the size of the impact varied across sectors, the message was clear: investors reward firms that consistently return value through dividends.

Kyari (2018) [17] explored how adopting International Financial Reporting Standards (IFRS) impacted the value relevance of accounting information for Nigerian banks listed on the stock exchange. The study focused on seven banks, comparing the pre-IFRS period (2008-2011) with the post-adoption phase (2012-2015). Using financial statement data and Ordinary Least Squares (OLS) regression, the findings showed that earnings became positively and significantly linked to share prices after IFRS adoption, suggesting better transparency than under local standards. Before IFRS, however, earnings had a negative and significant relationship with share prices. Book value per share consistently showed a positive and significant connection in both periods, with an even stronger effect post-IFRS.

Similarly, Adefunke and Ojeaga (2018) [3] tested the value relevance of accounting data for Nigerian listed firms from 2010 to 2014. Applying the Ohlson (1995) [20] model and OLS regression on 30 firms, they found that earnings per share and dividends had a positive but statistically weak link to share prices, while cash flow from operations showed a negative (yet insignificant) relationship. Hirdinis (2019) [12] studied Indonesian mining firms (2011-2015) to see how profitability influenced the connection between firm size and market value. Analyzing seven firms with OLS, the

results confirmed that larger firms had significantly higher share prices.

Shammout (2020) [28] investigated Jordanian commercial banks (2005-2018) to determine how firm traits affected share prices. Using the Ohlson model and OLS, the study found that book value and dividends had a strong positive relationship with share price, while earnings had a weaker (and insignificant) link. Firm size showed a negative but negligible effect. The paper, however, did not clearly state its theoretical foundation.

Onuora and Olisaji (2021) [24] focused on 75 non-financial firms between 2012 and 2021. Their results suggested that BVPS doesn't carry much weight in explaining share prices-it even came out negative and statistically insignificant. On the other hand, EPS once again stood out as a consistently strong driver of share value.

Odoemelam and Wobo (2025) [19] examined a much larger sample-100 firms across financial and non-financial sectors over 17 years (2006-2023), giving them 1,800 firm-year observations to work with. Their findings were quite clear: EPS had a strong and positive impact on share price. They also discovered that BVPS mattered more in non-financial, asset-heavy firms, where tangible assets play a big role in valuation. In addition, they emphasized the role of firm size, showing that bigger firms tend to attract more investor confidence. This is not just because of their financial strength, but also because investors often see large firms as safer and better governed.

Taken together, these research findings back up what the Efficient Market Hypothesis has argued since Fama first proposed it in 1970 that stock prices quickly absorb and reflect all publicly available financial data. What's interesting is that while different markets and time periods show varying levels of responsiveness, the numbers consistently prove that core accounting figures do move stock prices. This is especially true after major regulatory upgrades like the switch to IFRS standards.

2.1 Theoretical Underpinning

This study relies on the Efficient Market Hypothesis (EMH) by Fama (1970), which argues that stock prices instantly reflect all available accounting information. According to EMH, markets are so efficient that new data is immediately priced in, leaving no room for investors to consistently beat the market or earn excess returns.

3. Methodology

The research design is correlation while the research paradigm is positivism. Multiple panel regression was used for the analysis using STATA software. The study covered a period of nine years (2016-2024), 2016 to 2019 was considered as the pre-pandemic period; while 2021 to 2024 as post pandemic period, 2020 was exclude as it was considered to be the pandemic period and will serve a demarcation between the two periods. The choice of this period was influenced by the availability of data and the COVID-19 Pandemic. The population of the study consists of all the forty-nine quoted financial service firms on the floor of Nigerian exchange as at 31st December, 2022. We used filters and finally arrived at a sample size of thirty-four firms. The data was collected from secondary sources, the published audited annual reports for the independent variables and the Cash Craft Asset Management (stockbroker) website for the dependent variable. The study adapted Ohlson (1995) [20] model, share price is a function of earnings and book value of equity was modified to accommodate dividend per share, cash flow from operations and firm size. Two models were used by the study; one for the pre-pandemic period data and the other for the post pandemic period. The two regression models used by the study are explicitly stated below:

For pre COVID-19 period, the model is

$$SHP_{it}^{pre} = \beta_0 + \beta_1 EPS_{it}^{pre} + \beta_2 BPS_{it}^{pre} + \beta_3 DIV_{it}^{pre} + \beta_4 CFO_{it}^{pre} + \beta_5 FZ_{it}^{pre} + \varepsilon_{it}^{pre} \ldots (1)$$

For post COVID-19 period, the model is

$$SHP_{it}^{pos} = \beta_0 + \beta_1 EPS_{it}^{pos} + \beta_2 BPS_{it}^{pos} + \beta_3 DIV_{it}^{pos} + \beta_4 CFO_{it}^{pos} + \beta_5 FZ_{it}^{pos} + \varepsilon_{it}^{pos}. (2)$$

The interpretation of the elements in the models is as follows:

- SHPit = Share price of firm i in year t measured as market price per share as obtained from the cash craft website three months after the accounting period (Abubakar & Abbas, 2021) [1].
- EPSit = Earnings per share of firm i in year t measured as the net profit after tax on ordinary activities divided by the outstanding number of shares at the end of the accounting year (Abubakar *et al*., 2020) [2].
- BPSit = Book value per share of firm i in year t measured as the net value of equity divided by the outstanding number of shares at the end of the accounting period (Abubakar *et al*., 2020) [2] and (Egiyi, 2021) [9].
- DIV = Dividend per share of firm i in year t measured as the total dividend divided by the number of outstanding shares at the end of the accounting period (Mamuda, 2015) [18].
- CFO = Cash flow from operation of firm i in year t obtained by dividing the total cash from operation by the outstanding number of shares at the end of the accounting period (Zavodny & Prochazka, 2022) [32].
- FZ = Firms size of firm i in year t measured as Natural logarithm of total assets (Zavodny & Prochazka, 2022) [32].
- β0 = Constant or intercept

β1 and β5 = Coefficients of explanatory variables
εit = error term.
i = Individual firm
t = Time dimension
pre = prior to COVID-19 (2016-2019)
pos = after COVID-19 (2021-2024).

4. Results and discussion of findings

In this section, the results of the study are presented from which conclusions were drawn. The section starts from descriptive statistics, to correlation matrix, Multicollinearity tests, heteroscedasticity test and finally regression results of the study.

4.1 Descriptive Analyses

The Table 1 A describes the summary of the description of the data, it contains the mean, standard deviation, minimum and maximum for all the variables.

Table 1A: Descriptive Statistics for Pre COVID-19 Period

Variables	OBS	Mean	Min	Max	STD DE
SHP	136	3.12	0.2	46.00	6.80
EPS	136	1.11	-0.51	6.65	1.66
BPS	136	5.70	-47.71	34.97	12.60
DPS	136	0.38	0.00	2.80	0.66
CFO	136	1.73	-20.56	35.43	7.11
FZ	136	10.88	9.63	12.94	1.01

Source: Stata output 2025

Table 1A reveals as per below about Nigeria's financial service sector from 2016-2019: Share prices showed dramatic swings during this period. While the average stock traded at ₦3.12, prices ranged from just ₦0.20 (for insurers like Mutual Benefit Assurance) all the way up to ₦46.00 for Stanbic IBTC in 2018. This wide gap, reflected in the high standard deviation of 6.80, tells us share prices varied tremendously across different financial institutions.

Turning to profitability, banks generally fared better than insurers. The average earnings per share came in at ₦1.11, but some firms like Royal Exchange PLC struggled, posting losses up to ₦0.51 per share in 2019. Zenith Bank stood out as the top performer with earnings of ₦6.65 per share that same year. The moderate standard deviation (1.66) suggests earnings were less volatile than share prices.

The book value numbers reveal some concerning signs. While the average equity per share was ₦5.70, Unity Bank's shocking -₦47.71 in 2019 indicates severe balance sheet problems. On the flip side, United Bank showed strong fundamentals with ₦34.97 per share. The huge standard deviation (12.60) confirms we're dealing with extreme cases at both ends.

Dividend payments followed a similar uneven pattern. Many firms paid nothing, while Zenith Bank rewarded shareholders with ₦2.80 per share in 2019 well above the ₦0.38 average. The high standard deviation (0.66) relative to the mean shows payout policies varied dramatically.

Cash flows told an especially volatile story. The average ₦1.73 masks Stanbic IBTC's troubling -₦20.56 outflow in 2019 versus UBA's robust ₦35.43 inflow the previous year. That enormous standard deviation of 7.11 screams "caution" when interpreting these numbers.

Finally, firm sizes (measured by total assets) clustered around ₦9.63 on average, with Living Trust Mortgage Bank at the small end (₦9.63) and Ecobank Transnational dominating at ₦12.94. The modest standard deviation (1.01) suggests most firms fell within a reasonable range of this average.

Table 1B: Descriptive Statistics for Post COVID-19 Period

Variables	OBS	Mean	Min	Max	STD DE
SHP	136	5.84	0.21	78.00	12.32
EPS	136	1.40	-1.22	9.96	2.34
BPS	136	10.60	-0.40	53.90	13.60
DPS	136	0.45	0.00	3.50	0.83
CFO	136	6.42	-11.1	81.74	16.6
FS	136	11.00	9.85	13.13	1.05

Source: Stata output 2025

Looking at Table 1B, we can see some interesting patterns in the financial data. The average share price across all firms during this period was ₦5.84, but there was significant variation. Veritas Capital Assurance PLC had the lowest price at just ₦0.21 in 2021, while Stanbic IBTC Holdings PLC reached the highest at ₦78.00 in 2022. The standard deviation of 12.32 tells us prices were all over the place.

When we examine earnings per share, the average comes out to ₦1.40. However, some firms struggled-Mutual Benefits Assurance PLC posted the biggest loss at -₦1.40 per share in 2021. On the brighter side, United Bank for Africa reported impressive earnings of ₦9.96 per share in 2022. With a standard deviation (2.34) higher than the average, we're seeing some extreme values in the data.

Book value per share averaged ₦10.61, but Royal Exchange PLC actually showed negative equity of -₦0.40 in 2021. United Bank for Africa again led the pack with ₦53.90 in 2022. That huge standard deviation of 13.60 suggests we might have some unusual cases in our sample.

Dividend payments were quite mixed. While the average was ₦0.45 per share, some firms paid nothing at all, and Stanbic IBTC Bank PLC was most generous at ₦3.50 per share in 2021. The standard deviation of 0.83 relative to the mean shows substantial variation in payout policies.

Cash flow numbers were particularly volatile. The average was ₦6.42, but Unity Bank PLC had negative cash flows of -₦11.10 in 2021, while UBA reported an impressive ₦81.74 in 2022. That enormous standard deviation of 16.60 clearly indicates some outliers in the data.

Finally, looking at firm size (measured by log of total assets), the average was 11.32. Royal Exchange PLC was smallest at 9.85 in 2022, while Eco bank Transnational Incorporated PLC topped the scale at 13.13 the same year. The relatively small standard deviation of 1.08 suggests most firms clustered around the average, though there were still some notable exceptions

4.2 Correlation Analyses

The essence of correlation result is to ascertain the strength and the direction of the relationship between the independent variable and the dependent variables and among the independent variables themselves and to see whether there is the possibility of multicollinearity among the independent variables.

Table 2A: Correlation Matrix for Pre COVID-19 Data

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.7837	1.0000				
BVPS	0.5320	0.6855	1.0000			
DPS	0.7495	0.9105	0.5446	1.0000		
CFO	0.6130	0.2333	0.3405	0.1010	1.0000	
FZ	0.5511	0.7535	0.5868	0.5364	0.3677	1.0000

Source: STATA output 2025

The results of table 2A above shows a positive relationship between all the independent variables (IVs) and the dependent variable (DV). Among the IVs, only one of the correlation is up to 0.80 and as such, we suspect collinearity between the IVs, but this has been proved otherwise by the VIF test for multicollinearity.

Table 2B: Correlation Matrix for Post COVID-19 Data

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.5964	1.0000				
BVPS	0.5946	0.7906	1.0000			
DPS	0.7102	0.4465	0.4956	1.0000		
CFO	0.5407	0.7275	0.7806	0.5119	1.0000	
FZ	0.6568	0.7253	0.8102	0.4938	0.8130	1.0000

Source: STATA output 2025

The results of table 2B above shows a positive relationship between all the IVs and the DV. Among the IVs, only one correlation is up to 0.80 -as such we suspect collinearity between the IVs (Gujarati, 2009) [11]; however, this has been proved contrary by the VIF test for multicollinearity.

4.3 Multicollinearity result

The result of the multicollinearity is as presented below: The below table present the results of the variance inflation factor (VIF) for multicollinearity test.

Table 3A: Variance inflation factor test for multicollinearity

	Pre Covid-19 Data		Post COVID-19 Data	
Variables	VIF	1/VIF	VIF	1/VIF
DPS	4.38	0.420222	5.66	0.130492
EPS	2.79	0.579173	2.98	0.335598
BVPS	1.78	0.582573	3.60	0.385178
FZ	1.46	0.541866	3.58	0.387873
CFO	1.19	0.398554	2.01	0.498557
Mean VIF	2.32		3.56	

Source: STATA output 2025

For pre COVID 19 period, the Multicollinearity test result as per table 3 shows a mean value of 2.32. For all the independent variables, the variance inflation factors are greater than 1 but less than 10, this indicate absence of Multicollinearity among the independent variables, this is further supported by the values of the 1/VIF, as they are all greater than 10% but less than 100%. On the other hand, the VIF values for post COVID 19 period were shown in table 3, the test result as shows a mean value of 3.56 and that for all the independent variables, the variance inflation factors are greater than 1 but less than 10, this indicate absence of Multicollinearity among the independent variables, this is further supported by the values of the 1/VIF, as they are all greater than 10% but less than 100%

4.4 Heteroskedasticity test result

The heteroscedasticity test result for pre COVID-19 data as per the test conducted showed a chi2 value of 13.22 with a Probability value of 0.0014, this shows presence of heteroskedasticity among the independent variables. With this, the study conducted and reported the correlated panel corrected standard errors regression. Additionally, the Heteroskedsticity test result for post COVID-19 data showed a chi2 value of 0.28 with a p-value of 0.3172, this shows absence of heteroskedasticity as opine by (Gujarati, 2009) [11].

4.5 Regression Analyses

The regression result reported by the study is as Table 4A.

Table 4A: Regression Result for Pre COVID-19 Data

Variables	Coefficient	Z-Value	P> (Z)
EPS	0.48131385	3.45	0.001
BPS	0.0421265	3.67	0.000
DPS	2.422246	4.56	0.000
CFO	-0.0099211	-0.23	0.232
FZ	0.0190232	8.39	0.000
CONS	1.672034	5.00	0.000
R. Squared	0.7542		0.000

Source: STATA output 2024

Based on the results presented in the above table, the R-squared value is 0.7542, with a corresponding probability value of 0.000. This suggests that approximately 75.42% of the variation in share prices is explained by the independent variables, significant at the 1% level. The individual variable outcomes are discussed below.

The coefficient for earnings per share is 0.48, with a probability value of 0.001. This signifies a positive and statistically significant relationship between EPS and share price at the 1% level of significance. Specifically, a one-naira increase in EPS is associated with a 0.48 naira rise in share price. This finding aligns with the studies by Onuora and Olisaji (2021) [24] and Odoemelan and Wobo (2025) [19].

Similarly, the book value of equity per share shows a coefficient of 0.04 and a probability value of 0.000, indicating a positive and significant effect on share price at the 1% level. In practical terms, a one-naira increase in book value per share leads to a 0.04 naira increase in share price. These results are consistent with the findings of Shammout (2020) [28] and Odoemelan and Wobo (2025) [19].

Dividend per share (DPS) has a coefficient of 2.42 and a probability value of 0.000, reflecting a positive and significant impact on share prices at the 1% level. This implies that a one-naira increase in DPS corresponds to an estimated 1.04 naira increase in share price. This result supports the findings of Shammout (2020) [28].

Conversely, the coefficient for cash flow from operations is -0.01, with a probability value of 0.232, indicating a negative but statistically insignificant relationship with share price. This suggests that cash flow from operations does not significantly influence share prices among listed financial service firms in Nigeria during the 2018-2019 period. The result contradicts Okafor *et al.* (2017) [21].

Lastly, firm size exhibits a coefficient of 0.02 and a probability value of 0.000, suggesting a positive and statistically significant relationship with share price at the 1% level. This indicates that a 1% increase in firm size results in a 2% increase in share price. These findings are in line with those reported by Hirdinis (2019) [12] and Odoemelan and Wobo (2025) [19] but contradicts Shammout (2020) [28].

As shown in Table 4B, the correlated panel-corrected standard errors (PCSE) regression model was employed due to the presence of heteroscedasticity in the dataset. The model yielded an R-squared value of 0.7111 with a corresponding probability value of 0.000, indicating that the

independent variables collectively account for 71.11% of the variation in share prices. This result is statistically significant at the 1% level. The specific outcomes for each explanatory variable are discussed below.

Table 4B: Regression Result for Post COVID-19 Data

Variables	Coefficient	Z-Value	P> (Z)
EPS	2.225099	1.10	0.046
BPS	-0.1831019	-0.67	0.237
DPS	6.118861	5.38	0.000
CFO	-0.2885743	-1.68	0.093
FZ	0.7187667	2.60	0.012
CONS	-6.822328	-2.07	0.039
R. Squared	0.7111		0.0000

Source: STATA output 2024

The coefficient for earnings per share (EPS) is 2.20, with a p-value of 0.046, indicating a positive and statistically significant relationship with share prices at the 1% level. This suggests that a one-naira increase in EPS is associated with a 2.4-naira rise in share price. These findings are consistent with those of Onuora and Olisaji (2021) [24] and Odoemelan and Wobo (2025) [19].

In contrast, the book value per share recorded a coefficient of -0.18 and a p-value of 0.237, implying a negative but statistically insignificant relationship with share prices. This result suggests that book value per share is not a significant predictor of share prices among listed financial service firms in Nigeria. The outcome confirms the findings of Onuora and Olisaji (2021) [24] but contradicts Shammout (2020) [28].

Furthermore, dividend per share (DPS) has a coefficient of 6.12 with a p-value of 0.000, indicating a strong positive and statistically significant relationship with share prices at the 1% level. Specifically, an increase of one naira in DPS results in an approximate 9.11-naira increase in share price. This finding aligns with that of Shammout (2020) [28].

Additionally, cash flow from operations has a coefficient of -0.29 and a p-value of 0.093, indicating a negative and statistically significant relationship at the 10% level. This suggests that for every one-naira increase in cash flow from operations, share price decreases by 0.29 naira. The result contradicts Okafor *et al.* (2017) [21].

Lastly, the coefficient for firm size is 0.72 with a p-value of 0.012, suggesting a positive and statistically significant relationship at the 5% level. This implies that a 1% increase in firm size results in a 0.72% increase in share price. The result agrees with the findings of Hirdinis (2019) [12] and Odoemelan and Wobo (2025) [19] but contradicts Shammout (2020) [28].

4.5 Test of Hypotheses

The Chow test produced a calculated F-statistic of 10.21, which exceeds the critical value of 2.21. This result indicates statistical significance at the 1% level, thereby confirming that there is a structural difference between the coefficients of the pre- and post-COVID-19 models. However, to determine which model exhibits greater value relevance, one must assess the magnitude of the coefficients and their associated probability (p) values.

Given the Chow test result, it is evident that the value relevance of accounting information among listed financial service firms in Nigeria differs between the pre- and post-pandemic periods. Specifically, earnings per share (EPS) shows a positive and statistically significant relationship with share prices at the 1% level before the pandemic and remains significant at the 5% level after the pandemic. Supported by Z-statistics, these results suggest that the pandemic influenced the relevance of EPS. Consequently, we reject the first null hypothesis, which posits that the value relevance of accounting earnings was unaffected by the COVID-19 pandemic.

Furthermore, the regression analysis reveals that the coefficient for book value of equity per share was positive and statistically significant at the 1% level in the pre-pandemic period, but turned negative and insignificant in the post-pandemic period. This shift implies a reduction in the explanatory power of book value with respect to share prices after the pandemic. Based on this, the second null hypothesis-which states that the value relevance of accounting book value was not affected by the pandemic-is also rejected.

In addition, both periods show dividend per share (DPS) to be positively and significantly associated with share prices at the 1% level. However, the post-pandemic model reports a higher coefficient, indicating a stronger value relevance for dividends after COVID-19. This is further corroborated by the Z-statistics. As such, we reject the third null hypothesis, which asserts that the value relevance of dividends remained unchanged following the pandemic.

Regarding cash flow from operations, the pre-pandemic coefficient is negative and statistically insignificant, suggesting that it did not contribute meaningfully to share price determination during that period. In contrast, the post-pandemic coefficient is also negative but statistically significant, implying an increased relevance. These findings, supported by the Z-values, lead us to reject the fourth null hypothesis, which claims that the value relevance of cash flows from operations was not affected by the COVID-19 pandemic.

5. Conclusion and recommendations

This research examines how COVID-19 affected the usefulness of financial reporting for Nigeria's listed financial firms. Using share prices from Cash Craft Stock Broker and financial data from annual reports, we analyzed five key metrics: earnings per share, book value, dividends, operating cash flow, and company size. Our findings pointed a shifting landscape. After the pandemic, earnings became less reliable for valuing stocks, and book value lost its predictive power entirely. Surprisingly, dividends grew more important, while cash flows, previously significant, no longer helped explain share prices.

These changes suggest investors should focus more on earnings and dividends when assessing financial firms, even during crises, while being cautious about relying on book values. Companies can respond by strengthening profits to support steady dividend payouts, which appear to boost market confidence. Maintaining healthy cash flows and prudent book value management also remain important, though their direct impact on share prices has diminished.

This study focused on Nigeria's financial service sector, future studies may focus on other industries, countries or markets.

5.1 USE of Chat GPT AI

After writing the manuscript, the authors subjected the paper to ChatGPT for a review to improve clarity, tone, punctuations, grammatical accuracy and in some cases to remove redundant words so as to meet up with the word count of not more than 7000.

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