ISSN: 7241 - 7460
Volume 9, Number 1, 2025
Canada Journal of International Management and Accounting

OWNERSHIP IDENTITY AND FINANCIAL PERFORMANCE: A MODERATING ROLE OF FIRM SIZE OF FIRMS LISTED DEPOSIT MONEY BANKS IN NIGERIA

Okpolosa Matthew Onyebuchi
Email: Onyebuchi,okpolosa55@gmail.com
Department of Accounting, Faculty of Management Sciences
Ignatius Ajuru University of Education,
Rumuolumeni, Port Harcourt, Rivers State, Nigeria.

ABSTRACT

This study investigated the effect of ownership identity on financial performance of firms listed deposit money banks in Nigeria, as well as firm size was employed as moderating variable. The study employed an ex-post facto research design. The population of the study was fourteen (14) listed deposits money banks in the Nigerian Exchange Group and ten (10) listed deposit money banks was used as sample size employing purposive sampling technique. The data used in the study was secondary data and it was sourced from annual reports and statement of accounts of the selected firms between 2016 and 2023. The Moderated Multiple Regression (MMR) techniques were used for the purpose of moderating variable analysis with the help of SPSS. The results revealed that the interaction effect of firm size on the relationship between ownership identity and return on equity and earnings per share of listed deposit money banks in Nigeria is positive and significant. The study generally concluded that the effect of ownership identity on financial performance measures of the studied deposit money banks (DMBs) is positive and insignificant for the time frame investigated. The study recommends amongst other that the managerial investors should have a long-term investment horizon, which aligns with the goal of improving return on equity over time. This long-term perspective can help management focus on sustainable growth and value creation, rather than short-term gains

Keywords: Ownership Identity, Financial Performance, Firms Size

Introduction

The banking sector in Nigeria encompasses a wide range of businesses involved in the financial services such as deposit, trading and exchange of currencies, security of valuable assets, lending and other essential components of the economy. This sector plays a pivotal role in driving economic growth, job creation and financial development within Nigeria, contributing significantly to the country's Gross domestic Production (GDP) and export earnings. However, deposit money banks in Nigeria encounter a wide range of difficulties, stemming from structural insufficiencies, regulatory constrain and market dynamics (Onuora et al. 2022). These challenges often result in poor firm performance, limited access to capital and increasing competitive pressures, impeding their ability to maximize value creation and sustain long-term growth (Adewumi et al., 2023). With this background, the problem statement revolves around the central issue of financial performance and its determinants within the context of deposit money banks in Nigeria. Profitability represents a key performance indicator and viability that reflects the market's perception of a firm's future cash flows and earning potential (Abubakar et al. 2018). However, achieving and enhancing financial performance continue to pose a significant obstacle for many deposit money banks in Nigeria, necessitating a deeper understanding of the factors that influence it (Eshemokha et al., 2023).

Many banks from both developed and developing economies have experienced poor financial performance since the start of the 21st century. Particularly, the developing economies have seen a decline in their economic expansion due to the yearly financial distress in many businesses. According to research conducted in Nigeria, some banks have fallen into financial poor financial performance which is profitable but do not pay a dividend or have a negative cumulative loss after adjusting for revenue reserve.

Nigeria is still a developing country with a weak corporate governance system in which the banking industry plays a significant role in the country's economic growth. Nigeria, as a developing nation, observed several incidents of financial distress by the firms over the last few years, including the collapse of City Express Bank in 2006, Fortune International Bank in 2006, Gulf Bank in 2006, African International Bank in 2013, Bank PHB in 2011, Spring Bank in 2011 and Skye Bank in 2018. The earlier researchers disclosed so many reasons for poor financial performance. Among them, the poor governance structure is one of the prime reasons. Niluthpaul and Khale (2023) argued that better adherence to corporate governance rules may boost a company's financial performance while lowering the likelihood of financial distress. Poor corporate governance standards, on the other hand, ultimately obstruct investment prospects and capital market growth, and raise the risk of financial distress.

Despite the extensive body of research conducted on the intricate interplay among ownership arrangement and financial performance, a definitive consensus regarding the nature of this relationship and the consequent outcome of ownership arrangement on how earnings are managed remains elusive. Despite the seemingly daunting threat posed of financial performance, especially in relation to quality of financial reporting in the banking sector. A permanent solution to this menace still seems to be elusive as financial performance has been a recurring unpleasant decimal in the academic world. It is in view of this that, this study intends to interrogate how ownership identity can help to nip in the bud the issue of financial performance in Nigerian banking sector. Needless to say that quite a good number of researchers have conducted research on the outcome of ownership arrangement on the improvement of financial performance both within and outside Nigeria. However, only a few researchers have carried out studies using controlling variables such as firm size. In addition, only a few have equally conducted studies on this issue with respect to the banking sector of the Nigerian economy. To the best of our knowledge, none of the prior studies have employed firm size as moderating variable. Most of the studies employed firm size as controlling variable which part of model specification with proper interpretation of firm size on the relationship between ownership identity and financial performance. Hence, this investigated the effect of ownership identity and financial performance of listed deposit money banks in Nigeria, and also, examined the moderating effect of firm size on the relationship between ownership identity and financial performance of listed deposit money banks in Nigeria.

Hypotheses

The hypotheses to be investigated in the study are as follows:

H_{01}: The interaction effect of firm size on the relationship between ownership identity and return on equity of listed deposit money banks in Nigeria is not significant.

H_{02}: The interaction effect of firm size on the relationship between ownership identity and earnings per share of listed deposit money banks in Nigeria is not significant.

Ownership Identity

Wati and Gultom (2022) note that ownership framework can be regarded as a crucial aspect of internal control that deals with how a company's capital is reallocated in several entities. To Shittu et al. (2022), ownership structure is seen as a part of the ordinary shares of a company held by different parties such as promoters of a business, private corporations, public corporations, individual and foreign investors. In a similar vein, Farouk and Bashir (2017) views ownership framework as a fraction of the ordinary shares of a company held by diverse individuals. The aforementioned entities are commonly referred to as the proprietors of the corporate entity, also known as shareholders. Consequently, the configuration of ownership within a given organisation varies from that of another organisation due to disparities in legal frameworks, environmental stability, regulatory frameworks, and economies of scale, among other factors. According to the scholarly perspective put forth by Ganiyu and Araoye (2022), the concept of ownership framework pertains to the proportional distribution of a firm's shares among various entities, including institutional bodies, individuals, or familial units. According to the research conducted by Racha and Demyana (2019), it has been suggested that the mechanism of a firm's ownership framework may play a noteworthy part in mitigating the probability of engaging in management of earnings. The authors express their viewpoint on the significance of ownership structure, asserting that it holds a pivotal position in shaping corporate dividend policies and mitigating agency conflicts. As per the findings of Osemene et al. (2018), it has been observed that the ownership structure of diverse forms and magnitudes possesses a discernible capacity to exert influence on the practice of earnings management, albeit in varying manners. In Nigeria, it is pertinent to note that the ownership structure of a firm encompasses various forms, namely private (family), institutional, block, free float, managerial, controlling, and foreign.

Nevertheless, according to the scholarly work conducted by Ekpulu and Omoye (2018), it is posited that the ownership framework of a corporation can be grouped into two discernible forms. These forms encompass the allocation of shares held by individuals within the organisation and those held by external entities. Additionally, the ownership framework can also be delineated by the distribution of shares between institutional shareholders and individual shareholders. Likewise, there are two prevailing schools of thought pertaining to the establishment of an efficacious ownership framework. The initial category comprises individuals occupying managerial or directorial positions within the organisation who concurrently assume the role of shareholders, provided they possess a substantial stake in the company's shares. The second scenario arises when non-managerial shareholders amass a substantial portion of the company's shares, thereby granting them increased influence and motivation to scrutinise managerial actions. This dynamic serves to diminish the likelihood of earnings manipulation.

Financial Performance

Financial performance refers to how a firm uses its available resources in the generation of revenues (Leah, 2008). One of the major aims of a business organization is to improve on its performance. Iswatia, and Anshoria (2007) stated that performance is the ability of an organization to gain and manage its resources in several different ways to develop competitive advantage. Measurement of an organizations' performance can be seen in financial and non-financial terms. In terms of finance, the firm's performance can be seen from its financial statement while the non-financial performance is usually seen from the achievement of the utilization of its human resources (Aulia & Gandakusuma, 2019). Financial performance is also the company's financial condition over a certain period. It includes the collection and use of funds measured by several indicators of capital such as adequacy ratio, liquidity, leverage, solvency, and profitability.

Firms' financial performance refers to an environment of how well firms employ their resources, for example capital structure, to generate revenues (Mohammad, et al, 2019). In the view of (Abubakar, et al., 2018; Bello, et al., 2016), it is a reflection of firm's turnover, returns, and increase in worth as evidenced by the improvement in the entity's value. According to Ponce (2011), financial performance refers to the degree of accomplishment of the financial objectives. In the view of Leah, (2008), the long-term survival of any business outfit is dependent on its financial standing. Financial performance can also be measured in terms of the extent to which a company's financial health is sustained over a period of time (Bayaraa, 2017; Farah, et al., 2016). However, a firm's financial performance is critical to its health and survival (Junaidu & Hauwa, 2018). Leah (2008) further stated that financial performance involves gauging in monetary terms, the outcome of the actions and activities of a corporation to ascertain the financial well-being during a stated period. Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. It is measured through various business-related formulas that allow users to calculate exact details regarding a company's potential effectiveness. For internal users, financial performance is examined to determine their respective companies' well-being and standing, among other benchmarks. For external users, financial performance is analyzed to dictate potential investment opportunities and to determine if a company is worth their while. Before calculations can be made on certain financial indicators that establish overall performance, a financial statement analysis must occur. Performance of firms is of vital importance for investors, stakeholders and economy at large (Mirza & Javed, 2013). To the investors, the return on their investments is highly valuable, and a well performing business can bring high and long-term returns for their investors. Furthermore, financial profitability of a firm will boost the income of its income employees, bring better quality products for its customers, and have better environment friendly production units. Consequently, more profits will mean more future investments, which will generate employment opportunities and enhance the income of people and ultimately boost the economy of the nation at large. Based on the importance of financial performance, Ngina (2017) opined that, **t**he most important objective of the firm is to increase the value of the shareholders Ngina, (2017).

Firm size

Firm size is the size of the company and can be seen from the total company assets used in the company operational activities (Sari et al., 2022). Firm size is considered as a primary factor in determining the profitability of a firm due to the concept of economies of scale in the neo classical view of the firm (Niresh & Velnampy, 2014). The size of a firm is a primary factor in determining the profitability of a firm due to the concept known as economies of scale which can be found in the traditional neo classical view of the firm (Niresh & Velnampy, 2014). It shows that contradictory to smaller firms, items can be produced on much lower costs by bigger firms. In accordance with this concept, a positive relationship between firm size and profitability is expected. Contrary to this, alternative theories of the firms advise that larger firms come under the control of managers pursuing self-interested goals and therefore managerial utility maximization function may substitute profit maximization of the firms' objective function. Kangai (2018) stated that the size of a firm plays a great role in its financial performance. He opined that bank size for example, can potentially affect its performance financially because, large banks can invest more and earn more income than smaller banks. This position is true and applicable to non-financial firms. Emphatically, it means larger manufacturing entities can obtain cost leadership relative to smaller firms. Firm's size is seen by manufacturing companies as a resource in obtaining sustainable competitive advantage in terms of profit and market share. Abdurahman et al. (2003) in Oladele et al (2013) observed that the nature of the relationship that exists between firm size and profitability is an essential matter that may shed some light on the factors that enhance profits in firms. The link between firm size and performance has been contentious since Gibrat (1931) hypothesis, described that firm's growth rate is independent of its size. Palangkaraya at al. 2005) in their study showed that larger and older firms were less productive, but found the evidence less than conclusive. In more recent studies, however, a positive relationship has been established between the size of the firm and profit. Akinyomi et al (2013) in their study found that firm size, both in terms of total assets and in terms of total sales, has a positive effect on the profitability in Nigerian manufacturing companies. Accordingly, Cabral and Mata, (2003) in their study of Portuguese manufacturing firms validated the view that availability of more accurate and complete data set has been adduced as the reason for the conflict between what was previously held as independent relationship between firm size and growth and new findings that there is positive relationship. Wu (2006) in Prasetyantoko and Parmonon (2012) argued that larger firms have stronger competitive capability than the smaller ones as a result of their superior access to resources. Thus, while size has been accepted as a main feature in the firm performance debate (Niresh & Velnampy, 2014; Akinyomi & Olagunju, 2013; Cabral & Mata, 2003; Prasetyantoko, and Parmono, 2012), it is not clear how it affects the actual planning performance dynamics. Firm size was thus introduced as a moderator in determining the interaction effect in the effect of ownership structure on firm performance.

Firm Size and Financial Performance

Sari et al. (2022) investigated the effect of profitability, company size and intellectual capital on firm value using quantitative research design. Researchers use secondary data and data collection using the documentation method. The population of the study was pharmaceutical companies from 2016 to 2021. The sampling technique is purposive sampling and the sample of this research is 10 companies. Analytical technique of the study was partial least squares (PLS). Based on the results of the study, it proves that profitability, company size and intellectual capital have an effect on firm value. Daniel, et al. (2021) assessed the impact of ownership structure on the financial performance of listed pharmaceutical firms in Nigeria from 2010 to 2019 and found firm size to be positively but not statistically significant. Ochieng'Wayongah (2019) investigated the moderating effect of firm size on the relationship between financial leverage and financial performance of non-financial firms listed in the Nairobi Stock Exchange, Kenya using accounting based and market-based measures of performance (ROE and Tobin's) and panel methodology. The study used a correlation research design. The target population was 47 non-financial firms listed at NSE between 2012 and 2018 where 28 firms were purposively sampled and pooled for 7 years to obtain 196 firm year observations. Firm size was found to be significant positive predictor of performance (ROE).

Agency Theory

The foundation of this study is firmly rooted in the esteemed agency theory, a widely recognised and frequently cited framework within the realm of management science. The concept of agency theory was initially posited by Ross in 1973 and afterward stretched upon by Jensen and Meckling in 1976. The concept of agency theory posits that an organisation can be perceived as a complex web of contractual agreements, both explicit and implicit, involving multiple stakeholders. The occurrence of agency problems is a direct consequence of the misalignment between the objectives of agents and their principals, stemming from the inherent division between management and ownership. Hence, the act of earnings management can be interpreted as a manifestation of the presence of agency dilemmas. In accordance with the tenets of agency theory, it is posited that the agent, in their capacity as a manager, consistently endeavours to pursue their individual objectives to the detriment of the principal. This implies that managers are primarily driven by their personal motivations and gains, prioritising the maximisation of their own advantages over the consideration of shareholders' interests and the optimisation of shareholders' wealth.

Henceforth, it is imperative to establish more robust systems of surveillance and regulation that facilitate the alignment of managerial conduct with the welfare of shareholders, rather than solely prioritising their own self-interests. This measure is essential in mitigating the inherent challenges posed by the agency problem. There exist two distinct forms of ownership structures. In addition to their roles as insiders or managers, individuals who possess shares in a company may also assume the position of shareholder. Kyereboah-Coleman (2018) disclosed that the main concern is to develop rules and incentives, based on implicit or explicit contracts, to eliminate or at least, minimize the conflict of interests between the owners and the managers. Furthermore, it is imperative to acknowledge that external entities, such as the principal stakeholders who possess a significant proportion of the company's shares, wield a greater degree of influence and possess a heightened incentive to diligently monitor the activities of the management, particularly with regards to the intricate domain of financial reporting. This phenomenon engenders a diminished probability of earnings manipulation and, concomitantly, enhances the calibre of earnings. The postulation regarding self-interest inherently predisposes agency theory to inescapable internal conflicts. Sani et al (2019) averred that agency problem arises in a situation where the principal (owners, shareholders) employs the agent (board/management) to undertake number of duties on behalf of the owners for a reward. Similarly, Olugbenga et al. (2021) documented that agency theory is the application of game theory to the explanation of the circumstances in which a person (the agent) acts on behalf of the principal for the advancement of the principal's objectives.

Research Design

This study adopted ex-post factor research design. This method is suitable for the study because it is not possible to directly manipulate or control any of the independent variables as the events have already taken place and therefore the research is being conducted after the fact. Hence, ex-post factor research design was adopted because it helps this study to explain the effect of the independent (explanatory) variable on the dependent variable.

Population of the Study

The accessible population is the population to which the researcher has access to during the investigation. The population of the study consisted of fourteen (14) deposit money banks listed on the floor of the Nigerian Exchange Group as at 31st December 2023

Table 1 Listed Deposit Money Banks in Nigeria.

S/N	Name of Banks
1	Access Holdings Plc
2	Eco Bank Transnational Incorporation
3	FBN Holdings Plc
4	FCMB Group Plc
5	Fidelity Bank Plc
6	Guaranty Holding Company
7	Jaiz Bank Plc
8	Stanbic IBTC Holdings Plc
9	Sterling Bank Plc
10	Union Bank Plc
11	United Bank for Africa
12	Unity Bank Plc
13	Wema Bank Plc
14	Zenith Bank Plc

Source: NGX, 2024

Sample Size and Sampling Technique

To ensure a representative subset of the population, a simple random sampling technique was employed. The study used ten (10) deposit money banks from the pool of fourteen (14) identified in the Nigeria Exchange Group on the basis of length of existence and data availability. This study utilized purposive (Judgmental) sampling technique.

Sources of Data

This study employed secondary sources of data collection. The data were obtained from the annual reports and accounts of the sample banks and Nigerian Exchange Group (NGX) Fact Book in order to achieve the objectives of the study. This is due to the fact that corporate annual reports of listed companies were readily available and easily accessible.

Description and Measurement of Study Variables

Table 2: Operationalization of study variables

S/no	Variables	Type	Measurement	*A priori* expectation	Source / reference
1.	Return on Equity (ROE)	Dependent variable	Profit after tax/ total equity	Neutral	Eissa, et al (2018), Panigrah, et al (2014)
2.	Earnings per share EPS (EPS)	Dependent variable	Net Profit / Total Number of Shares	Neutral	Alkurdi, et al (2021); Onuora, Fabian, & Joshua, (2022).

3.	Managerial Ownership Identity (MOWN)	Independent variable	Number of shares held by CEOs, directors, and their immediate family members divided by the number of total outstanding shares	+	Abi et al (2024), Niluthpaul & Khaled (2023), Al-Sa'eed, (2018)
4.	Foreign Ownership identify (FOWN)	Independent variable	Number of shares owned by foreigners divided by the number of total outstanding shares	+	Meng, et al (2019), Jafari et al (2023), Akinleye & Adebusoye (2023)
5.	Firm Size (FS)	Moderating variable	Natural log of total assets	+	Khamis, et al. (2015), Niluthpaul & Khaled (2023),

Overall Source: Author compilation (2024)

Method of Data Analysis

This study adopted descriptive statistics, unit root test, diagnostic tests and Panel ARDL model technique with the help of E-view 12 while the Moderated Multiple Regression (MMR) techniques were used for the purpose of moderating variable analysis with the help of SPSS. First, Microsoft Excel was employed to interpolate the raw data extracted based on the variables adopted for this study and the formula to be apply in calculating the measurement. Secondly, the data analysis was executed in three distinct stages. Firstly, a univariate (or descriptive) analysis was executed, followed by bivariate analysis and lastly, multivariate analysis.

Results

Moderated Multiple Regression (MMR)

Moderated Multiple Regression (MMR) Estimates of Model (3) in ROE

Statement of Hypothesis

H_{01}: The moderating effect of firm size on the relationship between total ownership identity and returns on equity of listed deposit money banks in Nigeria is not significant;

The moderating effect of firm size (FS) on the relationship between total ownership identity and returns on equity (ROE) was tested using Moderated Multiple Regression **(**MMR) technique..

Model Summary[c] Moderation Analysis of Firm Size in ROE Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.253[a]	.064	.027	1.33637

a. Predictors: (Constant), INT, FOWN, MOWN

Table above provides information on the moderated results obtained from return on equity (ROE) model. The moderated R^2 for the return on equity (ROE) specifications is 0.064 that accounted for 6.4% of the variations in return on equity (ROE) while 93.6% was explained by unknown variables that were not included in the Moderated Multiple Regression model in return on equity (ROE).

ANOVA[a] Moderation Analysis of Firm Size in ROE Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.276	3	3.092	1.731	.168[b]
	Residual	135.726	76	1.786		

Total	145.002	79			

a. Dependent Variable: ROE
b. Predictors: (Constant), INT, FOWN, MOWN

Source: Extracted from SPSS Output 24
Table above provides information on the moderated results obtained from return on equity model. The model has F-statistic values 1.731 with respective Prob. ** value 0.168[b] indicated that the moderated model is not properly fitted since the Prob. ** value is greater than the decision criterion of 5%.

Model Coefficients of Moderation Analysis of Firm Size in ROE Model

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	6.327	.183		34.540	.000
	MOWN	.001	.001	.313	1.708	.092
	FOWN	.192	.093	.276	2.079	.041
	INT	-.413	.221	-.366	-1.875	.065

a. Dependent Variable: ROE
Source: Extracted from SPSS Output 24

Based on the results of the interaction term (INT) t-statistic value -1.875 with Prob. ** value of 0.065 > 5% chosen decision criterion for return on equity model. The study to accepted the null hypothesis (**H_{01})** and concluded that the moderating effect of firm size on the relationship between total ownership identity and returns on equity of listed deposit money banks in Nigeria is not significant.

Moderated Multiple Regression (MMR) Estimates of Model (2) in EPS
Statement of Hypothesis
H_{02}: The moderating effect of firm size on the relationship between total ownership identity and earnings per share of listed deposit money banks in Nigeria is not significant;
The moderating effect of firm size (FS) on the relationship between total ownership identity and earnings per share (EPS) was tested using Moderated Multiple Regression **(**MMR) technique.

Summary of Moderation Analysis of Firm Size in EPS Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.117[a]	.014	-.025	6286.22372

a. Predictors: (Constant), INT, FOWN, MOWN
Source: Extracted from SPSS Output 24
Table 4.8 provides information on the moderated results obtained from earnings per share (EPS) model. The moderated R^2 for the earnings per share (EPS) specifications is 0.014 that accounted for only 1.4% of the variations in earnings per share (EPS) while 98.6% was explained by unknown variables that were not included in the Moderated Multiple Regression model in earnings per share (EPS).

Model ANOVA[a] Moderation Analysis of Firm Size in EPS Model

Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	41537514.026	3	13845838.009	.350	.789[b]
	Residual	3003262253.582	76	39516608.600		
	Total	3044799767.608	79			

a. Dependent Variable: EPS
b. Predictors: (Constant), INT, FOWN, MOWN

Table above provides information on the moderated results obtained from earnings per share model. The model has F-statistic values 0.350 with respective Prob. ** value 0.789[b] indicated that the moderated model is not properly fitted since the Prob. ** value is greater than the decision criterion of 5%.

Model Coefficients[a] Moderation Analysis of Firm Size in EPS Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1442.001	861.696		1.673	.098
	MOWN	-1.266	2.873	-.083	-.441	.661
	FOWN	-385.733	435.210	-.121	-.886	.378
	INT	834.833	1037.476	.161	.805	.424

a. Dependent Variable: EPS

Source: Extracted from SPSS Output 24

Based on the results of the interaction term (INT) t-statistic value 0.805 with Prob. ** value of 0.424 > 5% chosen decision criterion for earnings per share model. The study to accepted the null hypothesis (**H_{02})** and concluded that the moderating effect of firm size on the relationship between total ownership identity and earnings per share of listed deposit money banks in Nigeria is not significant.

Moderating Effect of Firm Size on the relationship between Ownership Identity and Returns on Equity (ROE)

Based on the results of the interaction term (INT) t-statistic value -1.875 with Prob. ** value of 0.065 > 5% chosen decision criterion for return on equity model. The study to accepted the null hypothesis (H_{05}) and concluded that the moderating effect of firm size on the relationship between total ownership identity and returns on equity of listed deposit money banks in Nigeria is not significant. This result does not conform to appropriate expectation. It was expected that, the inclusion of size as a moderator variable to the nexus between ownership structure variables and return on equity should strengthen the financial performance of firms. Economies of scale posit that when a firm begins to grow and expand, its marginal cost reduces and then improves its profits – thus, there are benefits with an increase in firm size (Terraza, 2015).

Moderating Effect of Firm Size on the relationship between Ownership Identity and Earnings Per Share (EPS)

Based on the results of the interaction term (INT) t-statistic value 0.805 with Prob. ** value of 0.424 > 5% chosen decision criterion for earnings per share model. The study to accepted the null hypothesis (H_{06}) and concluded that the moderating effect of firm size on the relationship between total ownership identity and earnings per share of listed deposit money banks in Nigeria is not significant. This result does conform to appropriate expectation. It was expected that, the inclusion of size as a moderator variable to the nexus between ownership structure variables and return on equity should strengthen the financial performance of firms. Economies of scale posit that when a firm begins to grow and expand, its marginal cost reduces and then improves its profits –thus, there are benefits with an increase in firm size (Terraza, 2015).

Conclusions

This study investigated ownership identity and financial performance of listed deposit money banks (DMBs) in Nigeria. Based on the data analysis, discussion of findings, and summary of findings above, the study generally concluded that the effect of ownership identity on financial performance measures of the studied deposit money banks (DMBs) is positive and insignificant for the time frame investigated. Firm size insignificantly moderated the relationship between ownership identity and returns on equity of the studied deposit money banks (DMBs) in Nigeria.

Firm size insignificantly moderate the relationship between ownership identity and earnings per share of the studied deposit money banks (DMBs) in Nigeria

Recommendations

Based on the findings of this research work, it is recommended that:

1) In order to improve the financial performance, firms in Nigeria should wider spread of share ownership of the firms to reduce the controlling influence of large shareholders in maximizing their performance to the detriment of other stakeholders.
2) The study further recommends that management of the firms listed at NGX should take into consideration the size of their firms in taking decisions on the structure of share ownership to adopt since firm size has positive moderation effect on the relationship between the ownership structure and financial performance.

References

Abdurahman, A, Awad, S. H, Erik, V. N, & Jeffrey, S. R. (2003). Indicator variables model of firm's size-profitability relationship of electrical contractors using financial and economic data. *Journal of Construction Engineering and Management*, March/April, 192- 197.

Abubakar, A., Isah, S., & Usman, H. (2018). Effect of firm's characteristics on financial performance of listed insurance companies in Nigeria. *International Institute of Academic Research and Development: African Journal of History and Archaeology,3*(1), 1-9.

Akinyomi, O. J., & Olagunju, A. (2013). Effect of firm size on profitability: Evidence from Nigerian manufacturing sector. *Prime Journal of Business Administration and Management (BAM*) 3(9), 1171-1175.

Aulia, H. & Gandakusuma, I. (2019). The effect of capital structure on firm performance of manufacturing companies in ASEAN 5 Country. *Advances in Economics, Business and Management Research, 144 (23).*

Bayaraa, B. (2017). Financial performance determinants of organizations: The case of

Cabral, L. M. B. & Mata, J. (2003). On the Evolution of the Firm Size Distribution: Facts and Theory.American Economic Review 93(4):1075-1090 DOI:10.1257/000282803769206205.

Daniel, S., Nuraddeen, U., Ahmad, A. (2021). Impact of ownership structure on financial performance of listed pharmaceutical firms in Nigeria. *Journal of Conflict Resolution and Social Issues,* 2(1), 69-88.

Eshemokha, B. J., Agbi, S., Yahaya, O. A., & Gambo, J. S. (2023). Institutional ownership and firm value of listed manufacturing companies in Nigeria: the moderating role of dividend payout. *Journal of Accounting and Finance, 15(*1), 85-111

Gibrat, L. (1931). Dynamics of firm size in healthcare industry. *Health*, 4(3), 22-34

Junaidu, M. K., & Hauwa, S. (2018). Corporate tax and financial performance of listed

Kangai, M. M., (2019). Effect of ownership structure on financial performance of commercial banks in Kenya. Unpublished Master of Science in Finance project. University of Nairobi.

Leah, M. (2008). Interest rate forecasts, financial markets group, *International Journal of Economics and Political Science,* 42(3), 201-231.

Mirza, S. A. & Javed, A. (2013). Determinants of financial performance of a firm: Case of Pakistani stock market. *Journal of Economics and International Finance*. 5(2), 43-52.

Ngina, C. (2017). The effect of financial performance of financial institutions listed at the Nairobi Security Exchange. Research Project, School of Business, University of Nairobi.

Niluthpaul, S., S. & Khaled, H. (2023). Ownership structure and financial distress: investigating the moderating effect of audit quality. *International Journal of Economics and Financial, 13*(6), 187-202.

Niresh, J. & Velnampy, T. (2014). Firm size and profitability: a study of listed manufacturing firms ed manufacturing firms in Sri Lanka. *International Journal of Business and Management,* 9(4), 1-10.

Onuora, J. K. J., Fabian, O. & Joshua, N. G. (2022). Ownership structure and financial performance of quoted non-financial firms in Nigeria: An independent and joint effect analysis. *International Journal of Banking and Finance Research.* 8(1), 2672-4979.

Ponce, A. T. (2011). What determines the profitability of banks? Evidence from Spain. *Accounting & Finance, Early View*, DOI: 10.1111/j.1467-629X.2011.00466.x.

Sani, A., Alifiah, M. & Umar, S (2019). Board independence and capital structure of Nigerian non-financial listed firms: the moderating role of institutional ownership. *International Journal of Economics, Business and Accounting Research (IJEBAR).* 5(2), 2614-1280.

Sari, D. K., Hermawan, S., Fitriyah, H. & Nurasik. (2022). Does profitability, firm size, and intellectual capital affect firm value? *Journal Riset Akuntansi Terpadu* 15(2). 2022 Hal. 195-209.