

THE EFFECT OF DIVIDEND POLICY ON VALUE OF BANKS IN NIGERIA

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ABSTRACT

This study investigated the effect dividend policy has on the value of banks in Nigeria. The investigation entailed examining the books of six publicly quoted banks in Nigeria for a period of ten years covering 2008 to 2017. A panel regression was conducted and the finding revealed that dividend policy represented as dividend per share has a positive and significant impact on the value of bank represented by market price per share but earning per share and dividend yield have a significant but negative effect on share price. It is therefore recommended that banks should consider dividend policy as very crucial to their continuous survival and they should strive to improve on their earnings. Though earning per share indicated a negative relationship with market price in this study yet dividend may be difficult if not impossible to pay where there is no earning

KEYWORDS: *Dividend Policy, Earnings, Dividend Payment, Yield, Market, Price*

Article History

Received: 08 Aug 2019 | Revised: 14 Aug 2019 | Accepted: 24 Sep 2019
