

# Effects of Corporate Reports Determinants on Nigerian Deposit Money Banks Reporting Quality

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**Abstract:** This study evaluates the effect of corporate report determinants on the quality of corporate reporting by Nigerian deposit money banks (2013-2022). Data was extracted via content analysis of financial statements and related reports from 12 banks listed on the Nigerian Stock Exchange. Using multiple regression analysis (OLS), the study finds that ESG disclosures have the strongest relationship with corporate reporting quality ( $t$ -value = 1.670), but their marginal statistical significance ( $p$ -value = 0.0985) indicates a weak impact. Other variables, except for the intercept, are not significant predictors. The findings suggest that quality disclosure depends more on the intrinsic content of the information rather than its volume, emphasising the importance of meaningful reporting over mere disclosure quantity.

**Keywords:** information quality; corporate reporting quality; corporate reports determinants; intrinsic content.

## I. Introduction

The role of annual financial statements has evolved significantly. What was once seen primarily as a legal requirement has now become an integral component of corporate reporting. Today, these statements are designed not only to fulfil regulatory obligations but also to project a positive image of the organisation and its prospects within the market. Corporate reports serve a broader purpose by providing relevant and timely information to a diverse range of users, enabling them to make informed financial decisions. The Investing public rely on this information to assess potential opportunities and make well-grounded investment choices. For this reason, maintaining a high level of confidence among the investing public is crucial, as it helps them understand the future trajectory of a company and decide whether to invest.

According to Yetna et al. (2022), a confident investor is one who actively seeks out various investment opportunities, looking for businesses with promising growth potential and favourable prospects. Such investors aim to maximise returns while carefully considering the associated risks and rewards. When the investing public have a strong belief in the financial health and future performance of a company, they are more likely to engage in buying or selling shares based on the current market valuation, contributing to a dynamic and fluid market environment. As the investing public confidence rises, so does the likelihood of increased investment and market participation.

However, recent financial scandals, corporate collapses, and the ongoing global financial crisis have shaken investor trust. These events have had a profound impact on the confidence that the investing public place in both companies and the capital markets. The damage caused by these scandals is often substantial, both in financial terms and in the erosion of trust. As Ogan & Adegbe (2022) note, such fraudulent activities create significant losses, often amounting to millions of naira, while undermining the integrity of the financial system, the accounting profession, and the businesses involved. The ripple effect of these breaches of trust is felt across the broader market.

The Investing Public allocate their resources to finance businesses with the expectation of generating returns, securing financial stability, and promoting sustainable business practices. As Singh & Hanafi (2020) point out, this capital is frequently managed by individuals who are not the original investors, creating a potential mismatch between the expectations of those providing the funds and those overseeing the business operations. Managers, while responsible for the day-to-day running of a business, must also prepare reports that cater for various needs: not only those of the Investing Public, but also legal and regulatory requirements, societal needs, and the broader economic environment.

For corporate reports to fulfil their intended purpose, they must meet several objectives. These include ensuring transparency, satisfying regulatory and legal requirements, and offering clear and comprehensive information to diverse stakeholders. The Investing Public depend on these reports to assess the company's financial health, performance, and future potential. If a company fails to provide adequate disclosures, it risks losing the trust of its stakeholders, which can lead to a withdrawal of investment and a decline in market confidence. Therefore, transparency and thorough reporting are essential to fostering an environment where investors feel secure in their decision-making.

**Theories:** Managers of reporting entities disclose information in their corporate reports for various reasons, mainly to address the informational needs of different stakeholders. In the context of this study, the decision to disclose non-financial voluntary

information in the financial statements of selected deposit money banks is driven by the desire to meet the information needs of these users. This research will explore how the determinants of corporate reports influence the quality of corporate reporting. Specifically, it will apply two theories, Stakeholder Theory and Legitimacy Theory, to examine these disclosures.

### **Stakeholders Theory**

Stakeholder theory, as described by Kamla & Rammal (2013), acknowledges that different stakeholder groups have diverse expectations regarding how a company should operate. Deegan (2019) argues that these groups must be managed with the firm's broader interests in mind. The more influential a stakeholder group is to the business, the greater the effort required to manage the relationship. This aligns with Livesey's (2002) perspective that companies may tailor their disclosure of non-financial information based on the perceived power and influence of their stakeholders. Stakeholder theory can be divided into two main categories: management and ethics (Hamid & Atan, 2011). The managerial perspective suggests that stakeholders must be managed according to their power within the organisation, and thus, the company discloses information that addresses their needs (Deegan, 2002). In contrast, the ethical view holds that all stakeholders should be treated fairly and justly (Hamid & Atan, 2011). However, while disclosing non-financial information based on these ethical considerations may be justified, implementing a stakeholder-oriented disclosure strategy is often complex and challenging.

### **Legitimacy Theory**

Legitimacy theory is grounded in the belief that a company's reputation, growth, and long-term sustainability depend on society's support. To maintain this support and ensure their operations are seen as legitimate, companies voluntarily disclose specific non-financial information to stakeholders (Maama & Appiah, 2019). Legitimacy theory is closely linked to the concept of the social contract, which emphasises that organisations depend on their environment and must meet societal expectations to justify their existence and actions (Newson & Deegan, 2002). The theory suggests that companies strive to maintain accountability, often through voluntary disclosures, to secure legitimacy within their communities. Cormier & Gordon (2001) identified four strategies that organisations use to enhance their legitimacy: educating the public about their objectives, altering public perceptions of their activities, redirecting public attention, and adjusting societal expectations. In line with this, companies are more likely to disclose information when societal expectations demand it, particularly regarding environmental and social issues.

Supporters of non-financial information disclosures argue that the main drivers of corporate social responsibility (CSR) and environmentally conscious practices are transparency, accountability, and open communication (Wong, 2011; Ghosh, 2015; Mensah, Frimpong & Maama, 2017). These principles push businesses to disclose information related to their environmental impact and social contributions. Despite varying conclusions from different studies, there is a growing body of research that suggests a strong connection between legitimacy theory and the willingness to engage in CSR activities and environmentally focused reporting. As a result, the publication of non-financial data has increased significantly in recent years. According to legitimacy theory, disclosing non-financial information helps companies advance their goals by demonstrating accountability and ensuring that their actions align with societal expectations.

Legitimacy is fundamentally the recognition by a company's management that the support they receive from the community is critical for the organisation's long-term success, growth, and reputation. To foster this support, companies may disclose non-financial information that aligns with the community's values and expectations, presenting their operations as legitimate, acceptable, and worthy of backing (Maama & Appiah, 2019). In this way, non-financial disclosures can help companies solidify their position within the societal framework and maintain their legitimacy, which is vital for their continued success.

## **II. Literature Review**

Ibrahim & Abubakar (2019) conducted a study to assess the effect of board attributes on the financial reporting quality of six out of fifteen listed Deposit Money Banks (DMBs) in Nigeria. They used secondary data derived from the annual financial statements of these banks between 2007 and 2017. In their analysis, board independence and board size were considered key attributes of the board, while the quality of corporate reporting was measured through discretionary accruals. The study used regression analysis and descriptive statistics for data evaluation. Their findings indicated that both board independence and size had a positive impact on the quality of corporate reports. However, these effects were not statistically significant. The research concluded that although board attributes influence financial reporting quality, the impact is minimal and not statistically substantial.

In a similar vein, Agbonrha-Oghoye & Sadiq (2022) examined the relationship between CEO qualities and corporate reporting requirements for listed Deposit Money Banks (DMBs) in Nigeria, covering the period from 2010 to 2020. This study followed a longitudinal approach, tracking the same banks over time. The population of the study consisted of the 13 DMBs listed on the Nigerian Stock Exchange (NSE) as of December 31, 2020. Secondary data was sourced from the banks' annual financial statements. Due to issues with cross-sectional variability, the researchers employed panel least squares estimation, incorporating both fixed effects and random effects models. Additional diagnostic tests, including the Ramsey reset, Breusch-Godfrey serial correlation, and heteroskedasticity tests, were carried out to ensure the robustness of the results. The findings suggested that CEO qualities did not significantly improve corporate reporting norms, which aligns with Elzahar (2013) observations. As a result, CEOs were found to contribute to a knowledge gap between the management and shareholders, supporting the agency theory perspective. The study

recommended that efforts should be increased to reduce the agency conflict between CEOs and shareholders to strengthen the role of the board of directors.

In contrast, Dizar et al. (2018) and Hadi et al. (2025) highlighted that various factor, such as the audit committee's composition, the gender diversity of board members, the role duality of the chairman, and firm size, collectively influence the disclosure of sustainability reports. This suggests that a broader range of corporate governance attributes can significantly affect the quality and extent of corporate disclosures, particularly those related to sustainability.

Similarly, Ekin et al. (2022) investigated the factors that affect voluntary disclosures by 13 banks over an 11-year period, from 2010 to 2020. These 13 banks were specifically chosen from the 14 Deposit Money Banks listed on the Nigerian Stock Exchange as of June 30, 2021. The study used the annual financial statements of these banks as its data source. The data was analysed using panel multiple regression techniques. To measure voluntary information disclosure, the study developed an unweighted Voluntary Disclosure Index (VD), which included 90 items representing various forms of voluntary information disclosed by the banks. Independent variables in the analysis included firm size (FS), board size (BS), board independence (BiD), leverage (LEV), financial performance (P), and the number of shareholders (NSH). Random effects regression modelling was performed using STATA 13 to explore how these factors influenced voluntary disclosure.

The results from the Robust Random Effect regression analysis revealed that both firm size and the number of shareholders had a positive and statistically significant impact on voluntary disclosure, while leverage showed a negative and statistically significant effect. Board independence and financial performance were found to positively influence voluntary disclosure, but the results were not statistically significant. Interestingly, board size showed a slight negative impact on voluntary disclosures. The study concluded that factors such as business size, leverage, and shareholder count have significant effects on the voluntary disclosure practices of listed Deposit Money Banks in Nigeria.

### **III. Methodology**

This study used secondary data from multiple sources, including management discussions and analyses, published annual financial statements, and reports from auditors and audit committees of twelve (12) Deposit Money Banks (DMBs), selected from the fourteen (14) banks listed on the Nigerian Stock Exchange (NSE). The data was manually extracted through content analysis of the relevant sections in the published financial statements, management discussions, and the auditors' and audit committees' reports for the period spanning 2013 to 2022. This method, using specific items of the Financial Statement model, establishes whether a financial statement item is missing and creates a score by balancing the rate of missing by firms. The degree of "fine" or comprehensiveness of the financial statement data is indicated by DQ using the quality of reporting measurement as in Chen et al (2015).

To assess the quality of corporate reporting disclosures, the study employed content analysis, as modified by Masum, Abdul Latiff, & Osman (2020a), which was aligned with the specific components outlined in Beretta & Bozzolan's (2004) annual financial statements model. According to Ashwini et al. (2024), content analysis is a systematic method for evaluating and interpreting communication across various forms: written, visual, and auditory. This approach is widely used across disciplines such as social sciences, communication studies, psychology, and marketing, owing to its flexibility and adaptability.

The study applied a three-step unweighted disclosure index, an approach previously utilised by Botosan (1997) and Botosan & Harris (2000). Since weighted and unweighted indices often produce similar results, the unweighted disclosure index was chosen for this study, as suggested by Chow & Wong Boren (1987) and Zarzeski (1996). To calculate the voluntary disclosure index, the following three steps were implemented:

**Step 1:** Count the items (Key Performance Indicators, KPIs) that must or may be disclosed in the corporate reports of the listed DMBs.

**Step 2:** Assign a score of "1" if an item is included in the disclosure index; assign a score of "0" if it is not included.

**Step 3:** Divide the actual score by the maximum possible score.

These scores were then used as proxies to evaluate the determinants of corporate reporting quality and assess how they affect the quality of corporate reports of Deposit Money Banks. According to this methodology, the volume of disclosure is assumed to reflect its quality directly.

The financial statement disclosure model applied in the study used a 65-point checklist, categorised into nine (9) broad categories, consistent with the frameworks provided by Orazalin (2019) and Beretta & Bozzolan (2004). These categories serve as determinants of corporate reporting quality because they can assess the comprehensiveness of both financial and non-financial information in the annual reports, which reflects the "depth" or completeness of the financial data, as outlined in the exposure draft, "An Improved Conceptual Framework for Financial Reporting" (Van Beest et al 2009).

The explanatory variables (KPIs) were grouped into the following nine (9) subcategories: Financial Information Disclosure (FID), Corporate Social Responsibility Disclosure (CSR), Corporate Governance Disclosure (CGD), Environmental, Social, and Governance Disclosure (ESGD), Greenhouse Gas Emission Disclosure (GGED), Financial Capital Information Disclosure (FCID),

Natural Capital Information Disclosure (NCID), Social Relationship Capital Information Disclosure (SRCID), and Intellectual Capital Information Disclosure (ICID). These categories were based on a well-recognised framework from a regulatory body (i.e., ASB, 2006), ensuring that the measure of disclosure quality was robust and not overly subjective, addressing one of the common criticisms of self-constructed indices.

#### Model Specification and Variable Description

The study's model is based on the premise that there exists an underlying relationship between the variables in functional form and Corporate Reporting Quality (CRQ). CRQ is represented by both the mandatory and voluntary disclosures in annual financial statements, as well as the content in management discussions, auditors' reports, and audit committee findings. It is expected that these elements of corporate reporting will fluctuate over time, influenced by various contextual factors.

The model is presented implicitly as follows:

$$CRQ = f(FID, CSR, CGD, ESGD, GGED, FCID, NCID, SRCID, ICID)$$

This can be expressed explicitly as:

$$CRQ = \beta_0 + \beta_1 FID_{it} + \beta_2 CSR_{it} + \beta_3 CGD_{it} + \beta_4 ESGD_{it} + \beta_5 GGED_{it} + \beta_6 FCID_{it} + \beta_7 NCID_{it} + \beta_8 SRCID_{it} + \beta_9 ICID_{it} + \varepsilon$$

Where:

**CRQ** = Corporate Reporting Quality (Secondary data)

**$\beta_0$**  = Intercept of the regression equation

**$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$**  = Coefficients of the explanatory variables

**$\varepsilon$**  = Error term

The expected signs of the coefficients are as follows:

$$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8 > 0$$

$$\beta_9 < 0$$

**Table 1 Summary of Specific Items in Annual Financial Statements Model Key Disclosure Score Index**

| S/N | VARIABLES                                        | TYPE OF DISCLOSURES   | BANK NAMES |      |   |   |   |   |   |   |     |   |   |   |      |
|-----|--------------------------------------------------|-----------------------|------------|------|---|---|---|---|---|---|-----|---|---|---|------|
| 1   | Financial Information Disclosure (FID)           | Mandatory             | 1          | 1    | 1 | 1 | 1 | 1 | 1 | 1 | 1   | 1 | 1 | 1 | 1    |
| 2   | Corporate Social Responsibility Disclosure (CSR) | Mandatory & Voluntary | 1          | 0.96 | 1 | 1 | 1 | 1 | 1 | 1 | 0.9 | 1 | 1 | 1 | 0.99 |
| 3   | Corporate Governance (CGD)                       | Mandatory & Voluntary | 0.97       | 0.82 | 1 | 1 | 1 | 1 | 1 | 1 | 0.9 | 1 | 1 | 1 | 0.97 |

|   |                                                            |                       |      |      |      |      |      |      |      |      |      |      |      |      |      |
|---|------------------------------------------------------------|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 4 | Environmental, Social and Governance Disclosure (ESGD)     | Mandatory & Voluntary | 0.86 | 0.91 | 0.98 | 1    | 1    | 0.86 | 0.98 | 0.90 | 0.73 | 0.8  | 0.97 | 0.97 | 0.91 |
| 5 | Greenhouse Gas Emission Disclosure (GGED)                  | Mandatory & Voluntary | 0.8  | 0.98 | 1    | 1    | 0.92 | 0.69 | 1    | 0.91 | 0.8  | 0.6  | 0.84 | 1    | 0.88 |
| 6 | Financial Capital Information Disclosure (FCID)            | Mandatory & Voluntary | 0.5  | 0.5  | 0.5  | 0.5  | 0.65 | 0.5  | 0.5  | 0.5  | 0.43 | 0.6  | 0.5  | 0.5  | 0.51 |
| 7 | Natural Capital Information Disclosure (NCID)              | Mandatory & Voluntary | 0.8  | 0.75 | 0.95 | 0.88 | 0.9  | 0.7  | 0.9  | 0.85 | 0.8  | 0.6  | 0.53 | 1    | 0.80 |
| 8 | Social Relationship Capital Information Disclosure (SRCID) | Voluntary             | 0.67 | 0.63 | 0.67 | 0.86 | 0.87 | 0.67 | 0.67 | 0.67 | 0.70 | 1    | 0.8  | 1    | 0.77 |
| 9 | Intellectual Capital Information Disclosure (ICID)         | Voluntary             | 0    | 0    | 0    | 0    | 0.27 | 0    | 0    | 0.27 | 0.30 | 0.27 | 0    | 0    | 0.09 |

Source: Field Data, (2024).

### Calculation of Total Annual Scores on the Key Disclosure Index

The scores for each variable in the disclosure index are based on the number of elements included in that variable, with a maximum of 5 elements. A "tick" for each element indicates a score. The scoring process works as follows:

#### Full Score for 5 or More Elements:

If a variable has five or more elements, and at least five of those elements are ticked, the maximum score of 5 is awarded. For example, if all five elements are ticked, the score is 5.

#### Partial Score for Fewer than 5 Elements:

If a variable has fewer than 5 elements, the score is proportional to the number of ticked elements relative to the total number of elements.

For example, if there are only 3 elements and 2 elements are ticked, the score will be calculated as:

$$(2/3) \times 5 = 3.33$$

#### Partial Scores for Intermediate Cases:

If a variable has exactly 3 elements and 3 of those elements are ticked, the score is 5 (since all elements are ticked). Similarly, if 1 or 2 elements are ticked, the score is scaled proportionally.

Table 1 provides the proportionate scores for each element in relation to the maximum of 5 Likert-type elements.

### III. Results and Discussions

**Table 2** MULTIPLE REGRESSION, using extracted data by content analysis of annual financial statement, sustainability reports and management commentaries of the listed banks.

Dependent Variable: CRQ

|             | Estimate | Std. Error | t value | Pr(> t ) |
|-------------|----------|------------|---------|----------|
| (Intercept) | 2.88151  | 1.16221    | 2.479   | 0.0150 * |
| FID         | 0.09992  | 0.19675    | 0.508   | 0.6128   |
| CSRD        | 1.15014  | 0.97636    | 1.178   | 0.2419   |
| CGD         | 0.28524  | 0.31671    | 0.901   | 0.3702   |
| ESGD        | 0.40886  | 0.24489    | 1.670   | 0.0985   |
| GGED        | 0.16382  | 0.51702    | 0.317   | 0.7521   |
| FCID        | 0.04065  | 0.09089    | 0.447   | 0.6558   |
| NCID        | 0.28950  | 0.19022    | 1.522   | 0.1315   |
| SRCID       | 0.08290  | 0.14981    | 0.553   | 0.5814   |
| ICID        | 0.08276  | 0.46687    | 0.177   | 0.8597   |

Multiple R-squared: 0.09059, Adjusted R-squared: -0.0003514

#### Interpretation

Table 2 displays the results of a linear regression analysis that explores the relationship between **Corporate Reporting Quality (CRQ)** and nine independent variables. The **estimate column** in the table represents the regression coefficients, indicating the expected change in **CRQ** for a one-unit change in the corresponding independent variable, assuming all other variables are held constant. For example, a one-unit increase in **CSRD** corresponds to a change of 1.15014 in **CRQ**, while a one-unit increase in **ESGD** leads to a change of 0.40886 in **CRQ**.

The standard errors in the model measure the precision of the coefficient estimates. Smaller standard errors indicate more precise estimates, and, in this case, most variables have relatively small standard errors compared to their coefficients. However, the t-values are generally low. For example, the t-value for ESGD is 1.670, which is the highest among the variables, suggesting it has the strongest relationship with CRQ, though it is only marginally significant. The corresponding p-values indicate the significance of each variable, with a p-value < 0.05 typically suggesting statistical significance. Here, only the intercept (2.88151) has a p-value < 0.05 (0.0150), meaning it is statistically significant. None of the independent variables is statistically significant at the 5% level, though ESGD (0.0985) is close to significance. This implies that, except for the intercept, the model does not provide strong evidence of a relationship between the independent variables and CRQ.

R-squared and Adjusted R-squared measure the model's goodness-of-fit. The R-squared value of 0.09059 indicates that the model explains only about 9.06% of the variance in CRQ. Adjusted R-squared, which adjusts for the number of predictors, is -0.0003514. A negative adjusted R-squared suggests that the model does not fit the data well and may be overfitted or mis-specified. These results indicate that the model does not provide a strong explanatory power for CRQ and that the independent variables may not be capturing the full complexity of the factors that affect it.

These findings suggest that Corporate Reporting Quality (CRQ) could be influenced by a range of factors, including financial, social, governance, environmental, and capital-related disclosures. However, none of the independent variables is statistically significant at the 5% level, except for the intercept. This indicates that the model does not provide strong evidence of a relationship between these explanatory variables and CRQ. This conclusion is consistent with the findings in Elzahar (2013), Ibrahim & Abubakar (2019), and Agbonrha-Oghoye & Sadiq (2022), where a non-significant relationship between KPI reporting quality (explanatory variables) and firm valuation was observed. This further supports the assertion that disclosure quantity may not be a reliable proxy for disclosure quality.

In contrast to the findings in this study, Dizar et al (2018) observed that the effects of the audit committee, gender of commissioners and directors, role duality of the board chairman, and firm size together affected sustainability report disclosure. Similarly, Elza (2010) found that the independence of the board of directors, the audit committee, and audit committee features significantly impacted the extent of social and voluntary information disclosures. These contrasting findings highlight the potential differences

in the factors that influence corporate reporting quality, which might vary depending on the specific variables included in the model or the sample used.

Among the variables tested, ESGD has the highest coefficient and is marginally significant ( $p = 0.0985$ ), suggesting that environmental, social, and governance disclosures may have a positive, though weak, impact on CRQ. On the other hand, CSRD has the largest coefficient but is statistically insignificant ( $p = 0.2419$ ), indicating that corporate social responsibility disclosures do not reliably predict CRQ in this model. Other variables, such as FID, CGD, GGED, FCID, NCID, SRCID, and ICID, have small coefficients and are statistically insignificant, meaning their impact on CRQ is unclear.

The results suggest that improving environmental, social, and governance disclosures (ESGD) may have a modest positive effect on CRQ, though this relationship is not strong enough to be conclusive. The lack of significance for other variables implies that financial, governance, and capital-related disclosures may not be strong predictors of CRQ in this context. This could be due to measurement issues, omitted variables, or the specific sample used in the analysis. The model explains only 9.06% of the variance in CRQ, and the negative adjusted R-squared indicates a poor model fit. This suggests that important predictors of CRQ may be missing from the model, or that the relationship between the variables is more complex than what a linear regression can capture. Consequently, the lack of statistical significance for most variables means that the results should be interpreted with caution.

Further research is needed to identify additional factors that influence CRQ and to refine the measurement of the included variables. Given the weak fit of the model, a more detailed exploration of potential omitted variables or the inclusion of non-linear relationships may provide a clearer picture of the determinants of CRQ. Additionally, incorporating other relevant factors, such as firm characteristics or industry-specific influences, may lead to a better understanding of the drivers behind corporate reporting quality.

#### **IV. Findings**

The findings on the effects of corporate report determinants on corporate reporting quality suggest that multiple factors may influence corporate reporting quality, some of which are not included in the model. Since none of the independent variables are statistically significant at the 5% level, except for the intercept, the model does not provide strong evidence of a relationship between the explanatory variables and the outcome variable, corporate reporting quality.

Among the variables tested, environmental, social, and governance disclosure (ESGD) has the highest coefficient and is marginally significant ( $p = 0.0985$ ). This suggests that ESGD disclosures may have a positive, though weak, impact on corporate reporting quality. However, the relationship is not strong enough to be conclusive, and the marginal significance indicates that further research is needed to validate this finding.

Corporate social responsibility (CSRD) disclosure, on the other hand, is statistically insignificant ( $p = 0.2419$ ), implying that CSRD disclosures may not reliably predict corporate reporting quality in this model. This suggests that the effect of CSRD on corporate reporting quality could be weaker or more complex than what the current model captures.

The impact of other variables, such as financial information disclosure, corporate governance disclosure, greenhouse gas emissions disclosure, financial capital information disclosure, natural capital information disclosure, social relationship and capital information disclosure, and intellectual capital information disclosure on corporate reporting quality remains unclear. These variables are all statistically insignificant, meaning their influence on corporate reporting quality is not evident within the context of this model. Overall, these results indicate that while some factors, such as ESGD disclosure, show potential in influencing corporate reporting quality, the model's weak explanatory power and the lack of statistical significance for most variables suggest that additional factors or refined models are needed to better understand the drivers of corporate reporting quality.

#### **VI. Conclusion**

In conclusion, the regression analysis indicates that environmental, social, and governance (ESG) disclosure may have a marginally positive impact on corporate reporting quality. However, none of the other variables are statistically significant predictors of corporate reporting quality. This finding aligns with the assertion that it is the intrinsic content of the information disclosed, represented by key performance indicators (KPIs), and not the volume of disclosures, that determines the quality of reporting. As emphasised in Elzahar (2013), the quantity and quality of KPI disclosures are driven by different factors and have distinct impacts on firm value. Thus, disclosure quantity should not be considered a reliable proxy for disclosure quality.

The quantitative determinants of corporate reporting used as proxies for corporate report quality do not provide a perfect fit. While ESGD disclosure shows a marginal positive impact on corporate reporting quality, none of the other variables is statistically significant predictors. This highlights the complexity of determining the factors that drive corporate reporting quality and underscores the need for further research to better understand the underlying drivers.

#### **VII. Recommendations:**

The findings indicate that quantitative information disclosure is not a reliable proxy for the quality of information disclosed. Therefore, management in Nigeria's banking industry should move beyond merely meeting the mandatory requirements for key

performance indicators (KPIs) and, instead, embrace the inclusion of more qualitative information disclosures. Voluntary disclosures, which provide deeper insights and context, are crucial for enhancing the overall quality of corporate reporting.

The government should pay closer attention to the information disclosure practices of Nigerian banks when formulating economic policies. By ensuring that disclosures are comprehensive and relevant, the government can facilitate a forward linkage effect, ensuring that information is used effectively to benefit the broader economy. For instance, the econometric analysis of intellectual capital information disclosure (ICID) reveals a weak relationship between ICID and corporate reporting quality. Additionally, survey results strongly suggest that ICID is not adequately disclosed in the corporate reports of deposit money banks. ICID relates to information on research and development, patents, copyrights, and other forms of intellectual property. The lack of such disclosures implies that many listed deposit money banks may not be investing in these areas. This lack of investment hinders the development of a robust "town and gown" relationship, which could foster collaboration between banks and educational institutions, leading to the commercialisation of research findings. Such collaborations are vital for driving industrial development and economic growth.

The banking industry plays a critical role in financial intermediation, channelling funds from surplus sectors to deficit sectors. The importance of the investing public, those who entrust their funds to the sector cannot be overstated. Their need for quality financial and non-financial information should be a priority for policymakers and regulatory bodies. Addressing these needs will help improve the transparency and accountability of the sector, ultimately strengthening investor confidence and the stability of the financial system.

To foster the confidence of the investing public and stimulate the capital base of banks, thereby contributing to the broader macroeconomic stability of the nation, bank managers must prioritise transparency and accountability. They should voluntarily and faithfully disclose high-quality information in their corporate reports, ensuring that the investing public can make informed decisions. Transparent and truthful reporting is essential for maintaining trust and encouraging further investment in the banking sector.

Finally, while environmental, social, and governance disclosures (ESGD) show potential in enhancing corporate reporting quality (CRQ), managers should also look beyond the variables captured in this model. It is important for management to focus on improving disclosures (ESGD) as a starting point, but they should also consider other factors that may not have been included in this analysis. Comprehensive and well-rounded disclosures will enhance the overall quality of corporate reporting and, in turn, improve stakeholder confidence in the banking sector.

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