POLAC INTERNATIONAL JOURNAL OF ECONS & MGT SCIENCE (PIJEMS)
DEPARTMENT OF ECONOMICS & MANAGEMENT SCIENCE NIGERIA POLICE ACADEMY, WUDIL-KANO



EFFECT OF RISK MANAGEMENT DISCLOSURE ON FIRM VALUE OF LISTED DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

This study examined the effect of risk management disclosure on the firm value of listed deposit money banks in Nigeria. Specifically, the study investigated the effects of credit risk disclosure, liquidity risk disclosure and operational risk disclosure on firm value. The study adopted an ex-post facto research design and used secondary data obtained from the annual reports and financial statements of 13 listed deposit money banks in Nigeria over the period 2014–2025. A census sampling technique was employed, resulting in an unbalanced panel of 153 bank-year observations due to the listing of Jaiz Bank Plc on the Nigerian Exchange Group in February 2017. Risk management disclosure was measured using content analysis and a dichotomous disclosure index, while firm value was measured using Tobin's Q. The data were analysed using Panel-Corrected Standard Errors (PCSE) regression. The findings revealed that credit risk disclosure had a positive but statistically insignificant effect on firm value. Similarly, operational risk disclosure had a positive but statistically insignificant effect, while liquidity risk disclosure had a negative but statistically insignificant effect. The study concludes that credit, liquidity and operational risk disclosures did not have statistically significant effects on the firm value of listed deposit money banks in Nigeria during the period examined. The study recommends that banks should strengthen the quality, transparency and comprehensiveness of their risk management disclosures to improve the usefulness of information available to investors and support informed investment decisions.

Keywords: Credit Risk Disclosure, Liquidity Risk Disclosure, Operational Risk Disclosure, Firm Value.

1. Introduction

Firm value is the overall economic worth of a business as reflected in investors' assessment of its assets, earnings potential, growth opportunities and future cash flows. It represents an important measure of corporate success because it indicates how effectively management decisions translate into shareholders' wealth and market valuation. In empirical research by Yushou and Omoruyi (2026), firm value is commonly measured using market-based indicators such as Tobin's Q, which compares a firm's market value with the replacement or book value of its assets.

Globally, firm value remains an important indicator of corporate performance and investment attractiveness because capital markets evaluate firms based on their expected returns, risk exposures, governance practices and disclosure quality (Ibrahim & Aboud, 2024). Evidence from India indicates that mandatory risk disclosure is relevant to firm value, while international evidence shows that ESG controversies can negatively affect corporate valuation (Gupta et al., 2024). Similarly, UK evidence establishes a positive association between

corporate risk disclosure and firm value (Brighi et al., 2025).

Within Africa, firm value is influenced by capital-market development, institutional quality, corporate governance and investors' access to reliable corporate information. The OECD (2025) reports that African equity markets accounted for only 0.4% of global market capitalisation at the end of 2024. Nevertheless, evidence from Sub-Saharan Africa indicates that risk governance disclosure positively influences market valuation, while recent evidence from Nigeria, South Africa, Kenya and Ghana establishes a positive association between corporate social responsibility disclosure and Tobin's Q (OECD, 2025; Areneke et al., 2025; Zubeiru et al., 2026). These findings highlight the importance of transparency and effective governance in strengthening firm value across African capital markets.

In Nigeria, firm value is influenced by exchange-rate volatility, inflationary pressures, changing monetary policies and capital-market reforms, which affect investors' expectations, corporate financing costs and market valuation. The IMF (2025) reports that Nigerian banks remained profitable and adequately liquid at the end of 2024, although asset-quality pressures persisted. Similarly, the CBN (2026) identifies rising non-performing loans as an important concern for financial stability, while Adeyemi et al. (2024) demonstrate the relevance of Tobin's Q in evaluating the value of Nigerian listed firms. These developments underline the importance of sound financial decisions, effective risk management and credible corporate disclosure in sustaining firm value.

The firm value of listed DMBs in Nigeria is particularly important because banks mobilise deposits, provide credit, facilitate payments and support economic activities. Their market valuation is influenced by asset quality, liquidity, capital adequacy, profitability and investors' confidence in their ability to manage financial and operational risks. The CBN (2026) identifies rising credit risk and non-performing loans as important banking-sector concerns, while the IMF (2025) reports that the banking sector remained resilient but faced potential asset-quality pressures. Furthermore, Yushou and Omoruyi (2026) demonstrate the use of Tobin's Q in assessing the firm value of listed Nigerian DMBs.

Risk management disclosure refers to the communication of qualitative and quantitative information about an organisation's risk exposures, management policies, assessment procedures and control mechanisms to stakeholders (Adeyemi et al. 2024). In banking, such disclosure reduces information asymmetry, strengthens market discipline and enables investors to assess an institution's capacity to identify and manage potential losses. IFRS 7 provides disclosure requirements for financial-instrument risks, while the Basel Committee emphasises transparency concerning banks' risk exposures and management frameworks (IFRS Foundation, 2024; Basel Committee on Banking Supervision [BCBS], 2021, 2024). In this study, risk management disclosure is examined through credit risk disclosure, liquidity risk disclosure and operational risk disclosure.

However, the firm value of listed DMBs in Nigeria has been affected by regulatory changes, rising credit risk and declining market confidence. Abimbola (2024), reporting in The Punch, revealed that the combined market capitalisation of listed banking stocks declined from ₦8.08 trillion on 28 March 2024 to ₦6.46 trillion on 2 August 2024, representing a loss of approximately ₦1.62 trillion (20.04%) following the CBN's recapitalisation directive. The affected banks included FBN Holdings, Access Holdings, GTCO, UBA, Zenith Bank, Wema Bank, Fidelity Bank, FCMB Group, Stanbic IBTC Holdings, Sterling Financial Holdings, Ecobank Transnational Incorporated, Unity Bank and Jaiz Bank. Further evidence of the sector's credit risk challenges was reported by Tokede (2025) in THISDAY, which showed that ten listed banks increased their combined loan-loss provisions from ₦1.49 trillion in 2023 to ₦2.38 trillion in 2024, representing a 59.5% increase. Specifically, Zenith Bank, Ecobank Transnational Incorporated, First HoldCo, Wema Bank and Stanbic IBTC recorded impairment charges of ₦658.81 billion, ₦482.43 billion, ₦426.29 billion,

₦21.64 billion and ₦99.4 billion, respectively. These developments raise concerns about the implications of recapitalisation pressures and rising impairment charges for banks' earnings, investors' confidence and market valuation. They also underscore the need to examine whether adequate disclosure of credit, liquidity and operational risks contributes to explaining variations in the firm value of listed DMBs in Nigeria.

Existing studies on risk disclosure and bank valuation have examined different reporting periods, some of which do not capture the most recent developments in the Nigerian banking sector. For instance, Awotomilusi et al. (2023) investigated operational risk disclosure and financial performance using data covering 2012–2021, while Sulaiman et al. (2025a) examined quantitative credit, market and liquidity risk disclosures among Nigerian DMBs over 2014–2023. Similarly, Sulaiman et al. (2025b) investigated operational and strategic risk disclosures over 2015–2024. Although these studies provide useful evidence, their observation periods do not include the entire 2025 financial year, which is important due to the recent recapitalisation exercise, increased loan impairment provisions, and changing macroeconomic conditions that affect Nigerian banks. Consequently, this study extends the period of investigation to 2014–2025, thereby providing more recent evidence on the relationship between credit risk disclosure, liquidity risk disclosure, operational risk disclosure and firm value. The inclusion of Jaiz Bank from 2017 also reflects its listing on the Nigerian Exchange on 5 February 2017, resulting in an unbalanced panel of 153 bank-year observations rather than the maximum 156 observations.

Previous studies have examined risk disclosure and firm value across different institutional and geographical settings. Awotomilusi et al. (2023) examined operational risk disclosure among listed financial institutions in Nigeria, combining deposit money banks and insurance companies in their study population. Ibrahim and Aboud (2024), on the other hand, investigated corporate risk disclosure and firm value among non-financial listed firms in the United Kingdom, limiting the direct applicability of their findings to Nigerian banks, which operate under a distinct regulatory and financial environment. Furthermore, Sulaiman et al. (2025a) focused on quantitative credit, market and liquidity risk disclosures among Nigerian DMBs, while Sulaiman et al. (2025b) considered operational and strategic risk disclosures. These studies provide relevant evidence but leave room for a focused investigation that considers the credit, liquidity and operational risk disclosure dimensions simultaneously within the Nigerian listed DMB domain. This study therefore concentrates exclusively on the 13 DMBs listed on the Nigerian Exchange as at 31 December 2025, using firm value measured by Tobin's Q as the outcome variable. The main objective of this study is to examine the effect of risk management disclosure on the firm value of listed deposit money banks in Nigeria.

2. Literature Review

2.1 Conceptual Review

Concept of Risk Management

Risk management refers to the systematic identification, assessment, monitoring and mitigation of potential risks, particularly credit risk, liquidity risk and operational risk, to safeguard banks' financial stability and operational performance (BCBS, 2024).

Concept of Firm Value

Firm value represents the overall economic worth of an organisation, reflecting investors' assessment of its financial position, growth prospects and future earnings potential, commonly measured using Tobin's Q (Chung & Pruitt, 1994).

Concept of Deposit Money Banks

Deposit money banks are financial institutions licensed to accept deposits from the public and provide loans, advances and other financial services, thereby facilitating financial intermediation and economic development (Federal Republic of Nigeria, 2020).

2.2. Empirical Review

Bo et al. (2026) examined the effect of operational risk disclosures on the market value of listed companies in China, focusing on the stock market reactions to

information indicating changes in firms' operational risk exposure. The study was informed by information-signalling arguments, which explain how the disclosure of risk-related information influences investors' perceptions and market valuation. It adopted a quantitative event-study research design, consistent with the positivist paradigm. The study focused on companies listed on the Shanghai and Shenzhen A-share markets and Hong Kong H-share markets. Using a purposive selection procedure, the researchers identified 299 operational risk disclosure reports from the RoyalFlush iFinD database after excluding incomplete reports, delisted companies and firms with less than 30 days of listing history. The study employed secondary data obtained from brokerage research reports and stock market information, while operational risk disclosure was assessed through textual analysis, including large language model (LLM)-based techniques. Event-study methodology was used to estimate abnormal stock returns around the publication of the reports, with statistical significance assessed using t-tests, Wilcoxon signed-rank tests and sign tests. The findings revealed that stock markets reacted positively and significantly to disclosures indicating reductions in operational risk.

Ezike (2026) examined the relationship between operational and liquidity risk information disclosure and the corporate market value of listed consumer goods companies in Nigeria, with particular emphasis on the moderating effect of board expertise. It adopted a quantitative panel research approach consistent with the positivist paradigm. The study focused on listed consumer goods companies in Nigeria and analysed 540 firm-year observations. Secondary data were collected from corporate disclosures, with operational and liquidity risk information disclosure measured using disclosure indices. The study employed the Generalised Method of Moments (GMM) technique to examine the relationships and moderating effects among the variables. The findings revealed that board expertise significantly strengthened the relationship between operational risk information disclosure and corporate market value.

Awotomilusi et al. (2023) examined the effect of operational risk disclosure on the financial performance of listed financial institutions in Nigeria over the period 2012–2021. The study was informed by the importance of corporate risk disclosure in improving transparency and financial performance. It adopted an ex-post facto and panel data research design, using a quantitative approach based on secondary data obtained from the audited financial statements of listed financial institutions. The population comprised 34 listed financial institutions, consisting of 19 deposit money banks and 15 insurance companies on the Nigerian Exchange Group. A purposive sampling technique was employed to select 20 institutions based on the availability of complete data. The study relied on documentary analysis of financial reports and employed descriptive statistics and panel regression analysis to examine the relationship between operational risk disclosure and financial performance. The findings indicated that financial risk disclosure had a statistically significant effect on the financial performance of listed financial institutions.

Okeke (2022) examined the value relevance of risk management disclosure among listed deposit money banks in Nigeria over the period 2012–2021, with particular emphasis on credit risk disclosure and liquidity risk disclosure and their relationship with share price. The study was anchored on Signalling Theory, which explains how corporate disclosures communicate relevant information to investors and influence market valuation. It adopted an ex-post facto research design and employed a quantitative approach consistent with the positivist paradigm. The population comprised 27 deposit money banks reported as listed on the Nigerian Exchange Group (NGX) as at December 2021, while 12 banks were selected using a filtering sampling technique based on listing status, availability of annual reports and continuous existence during the study period. Secondary data were obtained from the sampled banks' annual reports and financial statements. The study employed descriptive statistics, Spearman rank correlation and panel regression analysis using Stata 16 and Microsoft Excel. The findings revealed that liquidity risk disclosure

had a negative and statistically significant relationship with share price under the random-effects estimation.

Tache (2021) examined the relationship between credit risk disclosure and firm value among premium-listed companies in the United Kingdom (UK) over the period 2007–2019. The study was anchored on agency theory, which explains how corporate risk disclosure reduces information asymmetry between managers and shareholders. It adopted a quantitative archival research approach using secondary data obtained from DataStream, Thomson Reuters and financial disclosures required under IFRS 7. The study's population comprised UK premium-listed companies. After excluding observations with missing financial information, the study obtained 5,040 firm-year observations. Firm value was measured using Tobin's Q, while credit risk disclosure was measured through the volume of credit-risk-related information reported under IFRS 7. The study employed panel regression analysis, including ordinary least squares and firm fixed-effects estimation, with industry and year effects and firm-clustered robust standard errors. The findings revealed a negative relationship between the quantity of credit risk disclosure and firm value.

2.3. Theoretical Review

Agency Theory

The study is underpinned by Agency Theory, propounded by Jensen and Meckling (1976). The theory explains the relationship between principals (shareholders) and agents (managers), in which shareholders delegate decision-making authority to managers to manage the organisation's resources on their behalf. However, the separation of ownership and control may create agency conflicts arising from differences in interests, information asymmetry and the possibility of managers pursuing personal objectives at the expense of shareholders' interests. The theory therefore emphasises monitoring mechanisms, accountability and adequate corporate disclosure as means of reducing agency costs and protecting shareholders' interests. The theory is relevant to this study because managers of deposit money banks possess greater information about the banks' credit, liquidity and operational risks than external shareholders and investors. This information asymmetry may affect investors' assessment of the banks' risk exposure and future performance, thereby influencing firm value. Consequently, adequate disclosure of credit risk, liquidity risk and operational risk serves as a monitoring and accountability mechanism that reduces information asymmetry, strengthens investor confidence and enables shareholders to make informed investment decisions. Thus, agency theory provides a theoretical explanation for examining the relationship between risk management disclosure and the firm value of listed deposit money banks in Nigeria.

3. Methodology

3.1 Research Design

The study adopts a correlational research design to examine the relationship between risk management disclosure, measured by credit, liquidity and operational risk disclosure, and firm value, measured by Tobin’s Q, of listed deposit money banks in Nigeria. The design is appropriate for panel data analysis as it examines relationships among variables without manipulating them or implying causation (Creswell, 2014). The study employs a quantitative approach using secondary data obtained from the annual reports and financial statements of the sampled banks for the period 2014–2025.

3.2 Population and Sample Size

The population comprises 13 deposit money banks listed on the Nigerian Exchange Group (NGX) as at 31 December 2025. A census sampling technique is adopted, covering all 13 banks and representing 100% of the population. The study uses an unbalanced panel because Jaiz Bank Plc was listed on the NGX on 5 February 2017 and therefore lacks listed-market information for 2014–2016. Consequently, the maximum possible 156 observations (13 banks × 12 years) are reduced by three, resulting in 153 bank-year observations. This approach retains all available data and ensures the inclusion of all 13 banks without unnecessarily restricting the study period.

Table 1

Population and Sample Size of the Study

S/N	Name of Bank	Date of listing	Remarks
1	Access Holdings Plc	1998	Selected
2	Fidelity Bank Plc	2005	Selected
3	First Bank of Nigeria Holdings Plc	1971	Selected
4	Guaranty Trust Holding Company Plc (GTCO)	2007	Selected
5	Sterling Financial Holdings Company Plc	1992	Selected
6	Jaiz Bank Plc	2017	Selected
7	United Bank for Africa Plc (UBA)	1970	Selected
8	Zenith Bank Plc	2004	Selected
9	Wema Bank Plc	1990	Selected
10	Ecobank Transnational Incorporated	1986	Selected
11	Unity Bank Plc	2006	Selected
12	FCMB Group Plc	2004	Selected
13	Stanbic IBTC Holdings Plc	2012	Selected

Source: Website of the Nigerian Exchange Group (NGX), 2025.

3.3 Data and Sources

The study utilises secondary data extracted from the annual reports and financial statements of the 13 listed deposit money banks for the period 2014–2025. The data cover firm value, credit risk disclosure, liquidity risk disclosure, operational risk disclosure and firm size. The annual reports and financial statements constitute the primary sources of data because they provide the financial information and risk-related disclosures required for the study. Additional information on the listing status of the banks is obtained from the Nigerian Exchange Group (NGX).

3.4 Measurement of Variables

Table 2

Measurement of Variables

Variable	Acronym	Measurement	Source
Firm Value	TQ	Market value of equity plus book value of total liabilities divided by book value of total assets	Bo et al., (2026)
Credit Risk Disclosure	CRD	Total credit risk disclosure items reported divided by total applicable credit risk disclosure items	Awotomilusi et al. (2023)
Liquidity Risk Disclosure	LRD	Total liquidity risk disclosure items reported divided by total applicable liquidity risk disclosure items	Ibrahim and Aboud (2023)
Operational Risk Disclosure	ORD	Total operational risk disclosure items reported divided by total applicable operational risk disclosure items	Ibrahim and Haruna (2024)
Firm Size	FSIZ	Natural logarithm of total assets	Kumshe et al. (2024)

Source: Researcher's Compilation, 2026

3.5 Model Specification

The econometric model is specified as:

$TQ_{it} = \beta_0 + \beta_1 CRD_{it} + \beta_2 LRD_{it} + \beta_3 ORD_{it} + \beta_4 FSIZ_{it} + \varepsilon_{it}$……(1)

Where:

TQ_{it} = Firm value of bank i in year t, measured by Tobin's Q; CRD_{it} = Credit risk disclosure of bank i in year t; LRD_{it} = Liquidity risk disclosure of bank i in year t; ORD_{it} = Operational risk disclosure of bank i in year t; $FSIZ_{it}$ = Firm size, measured as the natural logarithm of total assets.

β_0 = Constant term, $\beta_1 - \beta_4$ = Regression coefficients, ε_{it} = Error term, i = Individual bank, t = Time (2014–2025).

3.6 Method of Data Analysis

The study employs descriptive and inferential statistical techniques using Stata software. Descriptive statistics (mean, standard deviation, minimum and maximum) and Pearson correlation analysis are used to examine the characteristics and relationships among the variables. The Modified Wald test for groupwise heteroskedasticity is conducted to examine the presence of heteroskedasticity across panels. Panel-Corrected Standard Errors (PCSE) regression is subsequently employed to examine the relationship between risk management disclosure and firm value while accounting for panel-level heteroskedasticity and contemporaneous correlation. The Wald chi-square statistic and R-squared are used to assess the joint significance and explanatory power of the model, respectively. All statistical decisions are made at the 5% level of significance.

4. Results and Discussion

4.1 Descriptive Statistics

Table 3 presents the descriptive statistics, including the number of observations, minimum, maximum, mean, and standard deviation for all variables included in the study.

Table 3

Descriptive Statistics

Variable	N	Mean	Standard Deviation	Minimum	Maximum
TQ	153	0.761	0.324	0.369	1.485
CRD	153	0.543	0.128	0.348	0.745
LRD	153	0.497	0.089	0.352	0.647
ORD	153	0.507	0.111	0.309	0.698

Source: Stata 17 Output, 2026

The descriptive statistics in Table 3 present the characteristics of the study variables based on 153 bank-year observations from listed deposit money banks in Nigeria over the period 2014–2025. Firm value (TQ) records a mean of 0.761 and a standard deviation of 0.324, with a minimum of 0.369 and a maximum of 1.485. This indicates that the sampled banks recorded an average Tobin's Q below 1, suggesting that their market value was, on average, lower than the replacement-cost proxy represented by their book-value-based measure.

Credit risk disclosure (CRD) has a mean of 0.543 and a standard deviation of 0.128, indicating an average disclosure level of approximately 54.3%. Liquidity risk disclosure (LRD) records a mean of 0.497 and a standard deviation of 0.089, representing an average disclosure level of 49.7%. Operational risk disclosure (ORD) has a mean of 0.507 and a standard deviation of 0.111, indicating an average disclosure level of 50.7%. These results suggest that credit risk disclosure has the highest average disclosure level, followed by operational risk disclosure, while liquidity risk disclosure has the lowest.

4.2 Correlation Matrix

Table 4

Correlation Matrix

Variable	TQ	CRD	LRD	ORD	FSIZ
TQ	1.0000				
CRD	0.2278	1.0000			
LRD	-0.1147	0.3223	1.0000		
ORD	-0.3392	0.0973	0.4342	1.0000	
FSIZ	0.2789	-0.1543	-0.0999	-0.1562	1.0000

Source: Extracted from Stata 17, 2026

The correlation results in Table 4 indicate that credit risk disclosure (CRD) has a positive relationship with firm value (r = 0.2278), suggesting a weak positive association. Similarly, firm size (FSIZ) has a positive relationship with firm value (r = 0.2789), indicating a weak positive association. Conversely, liquidity risk disclosure (LRD) has a negative relationship with firm value (r = -0.1147), while operational risk disclosure (ORD) also has a negative relationship (r = -0.3392), suggesting weak and moderate negative associations, respectively.

4.3 Multicollinearity Test

Table 5

Variance Inflation Factor (VIF) Test

Variable	VIF	1/VIF
FSIZ	1.06	0.9476
ORD	1.03	0.9698
CRD	1.03	0.9707
LRD	1.01	0.9896
Mean VIF	1.03	

Source: Extracted from Stata 17, 2026

The VIF results in Table 5 indicate that firm size (FSIZ) has the highest VIF of 1.06, followed by operational risk disclosure (ORD) and credit risk disclosure (CRD), each with 1.03, while liquidity risk disclosure (LRD) records the lowest value of 1.01. The mean VIF of 1.03 is substantially below the commonly accepted threshold of 5, suggesting that multicollinearity is not a concern among the explanatory variables. Therefore, the variables can be retained in the regression model without evidence of problematic multicollinearity.

4.4 Modified Wald Test for Groupwise Heteroskedasticity

Table 6

Modified Wald Test for Groupwise Heteroscedasticity

Test Statistic	Value
Chi-square (χ^2)	39,165.66
Degrees of Freedom	13
Probability (p-value)	0.0000

Source: Extracted from Stata 17, 2026

The modified Wald test result in Table 6 reports a chi-square statistic of 39,165.66 with 13 degrees of freedom and a p-value of 0.0000. Since the p-value is below the 5% significance level, the null hypothesis of constant error variance is rejected. This indicates the presence of groupwise heteroskedasticity across the sampled banks. Consequently, the conventional random-effects standard errors may be unreliable, necessitating an estimation technique that accounts for heteroskedasticity (Panel-Corrected Standard Errors, PCSE).

4.5 Regression Results

Table 7
PCSE Regression Results

Variable	Coefficient	Std. Error	z-statistic	p-value
CRD	0.185	0.195	0.947	0.344
LRD	-0.323	0.283	-1.141	0.254
ORD	0.232	0.230	1.010	0.312
R-squared				0.2906
Wald χ^2 (4)	107.27			0.0017

Source: Extracted from Stata 17, 2026

The model reports an R-squared of 0.2906, indicating that approximately 29.06% of the variation in firm value is explained jointly by credit risk disclosure, liquidity risk disclosure, operational risk disclosure and firm size. The remaining 70.94% is attributable to factors outside the model. The Wald chi-square statistic of 107.27, with a p-value of 0.0017, indicates that the explanatory variables are jointly statistically significant in explaining firm value.

The regression results reveal that credit risk disclosure (CRD) has a positive but statistically insignificant effect on firm value ($\beta = 0.185$, $p = 0.344$). This implies that although greater disclosure of credit risk information is associated with higher bank value, the relationship is not strong enough to establish a statistically significant effect. The positive coefficient is consistent with agency theory, as transparent credit risk reporting can reduce information asymmetry between bank managers and investors; however, the insignificant result does not provide empirical support for the predicted relationship. The finding differs from Sulaiman et al. (2025), who reported a positive and significant effect of credit risk disclosure on the market value of listed commercial banks in Nigeria, but is consistent with the broader evidence of Ibrahim and Aboud (2024), who found that the relationship between risk disclosure and Tobin's Q was not statistically significant in some of their analyses.

The regression results reveal that liquidity risk disclosure (LRD) has a negative but statistically insignificant effect on firm value ($\beta = -0.323$, $p = 0.254$). This implies that although greater disclosure of liquidity risk information is associated with lower bank value, the relationship is not sufficiently strong to establish a statistically significant effect. The negative coefficient is inconsistent with agency theory, which suggests that transparent disclosure reduces information asymmetry between bank managers and investors; however, the insignificant result does not provide empirical support for the predicted relationship. The finding is consistent with Ibrahim and Aboud (2024), who reported that the relationship between corporate risk disclosure and Tobin's Q was statistically insignificant in some analyses. Conversely, it differs from Ogundele and Nzama (2025), who found that liquidity risk disclosure had a positive and statistically significant effect on the financial performance of Nigerian commercial banks.

The regression results reveal that operational risk disclosure (ORD) has a positive but statistically insignificant effect on firm value ($\beta = 0.232$, $p = 0.312$). This implies that although greater disclosure of

operational risk information is associated with higher bank value, the relationship is not strong enough to establish a statistically significant effect. The positive coefficient is consistent with agency theory, as transparent operational risk reporting can reduce information asymmetry between bank managers and investors; however, the insignificant result does not provide empirical support for the predicted relationship. The finding is consistent with Sulaiman et al. (2025), who reported that operational risk disclosure did not have a statistically significant effect on the market value of listed deposit money banks in Nigeria. Conversely, it differs from Awotomilusi et al. (2023), who found that operational risk disclosure significantly influenced the financial performance of listed financial institutions in Nigeria.

5. Conclusion and Recommendations

The study concludes that credit risk disclosure and operational risk disclosure have positive but statistically insignificant effects on firm value, while liquidity risk disclosure has a negative but statistically insignificant effect. This suggests that the three dimensions of risk disclosure do not have statistically significant effects on the firm value of listed deposit money banks in Nigeria.

Based on the findings, the study recommends that:

i. Listed deposit money banks in Nigeria should improve credit risk disclosure by providing comprehensive information on credit exposures, non-performing loans, loan concentration and credit risk management strategies.
ii. Banks should strengthen liquidity risk disclosure by providing transparent information on liquidity positions, funding sources and measures adopted to manage liquidity risks.
iii. Banks should enhance operational risk disclosure by providing adequate information on internal controls, cybersecurity, fraud prevention and operational risk mitigation measures

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