


ACCOUNTING INFORMATION DISCLOSURE: HOW FAR IS SO FAR

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b>  <b>Received:</b> January, 11<sup>th</sup> 2024  <b>Accepted:</b> April, 11<sup>th</sup> 2024</p>	<p><b>Purpose:</b> Accounting information asymmetry increases moral hazard, agency costs, shareholders’ discontent, and further aggravates the discomfort of minority shareholders. As such, how far is so far when connecting information disclosure with firm characteristics has remained a debate. This study thus investigated the nexus between firm characteristics and accounting information disclosure with emphasis on the banking sub-sector in Nigeria.</p>
<p><b>Keywords:</b>            Annual Reports;            Company Characteristics;            Corporate Governance;            Disclosure Index;            Stakeholders.</p>	<p><b>Theoretical Framework:</b> Accounting information disclosure is not hidden from theoretical discussions within the corridors of opportunistic behaviors, agency-theory and information asymmetry or information failure theory</p>
	<p><b>Design/Methodology/Approach:</b> Annual reports of eleven top banks in Nigeria were analyzed covering a period of 5 years from 2010 to 2014 using the firm characteristics – size, profitability, age, and international presence. A disclosure checklist consisting 137 voluntary items was developed and multiple regression analysis performed.</p>
	<p><b>Findings:</b> The results revealed a positive significant relationship between accounting information disclosure with age, international exposure, and a negative significant relationship was observed for profitability and size. Generally, the level of disclosure in the banking sector was found to be high at 62%.</p>
	<p><b>Research, Practical &amp; Social Implications:</b> This study recommends accounting information democratization and sharing to build and restore confidence in banks’ activities and public perception.</p>
	<p><b>Originality/Value:</b> The investigation on how far is so far in accounting information disclosure should be perceived from the eye of the stakeholders investments. Be that as it may, it is only fair and ethically moral for persons/groups that have invested in a business and or in a bank to regularly have access to concrete and verifiable mandatory and voluntary information disclosure on the financial position of their hard-earn funds to make reasonable decisions.</p>
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## DIVULGAÇÃO DE INFORMAÇÕES CONTÁBEIS: ATÉ QUE PONTO É TÃO LONGE

### RESUMO

**Objetivo:** A assimetria de informações contábeis aumenta o risco moral, os custos de agência, o descontentamento dos acionistas e agrava ainda mais o desconforto dos acionistas minoritários. Dessa forma, a conexão entre a divulgação de informações e as características da empresa continua sendo um debate. Assim, este estudo investigou o nexo entre as características da empresa e a divulgação de informações contábeis, com ênfase no subsetor bancário da Nigéria.

**Estrutura Teórica:** A divulgação de informações contábeis não está escondida das discussões teóricas dentro dos corredores dos comportamentos oportunistas, da teoria da agência e da assimetria de informações ou da teoria da falha de informações.

**Projeto/Metodologia/Abordagem:** Foram analisados os relatórios anuais de onze dos principais bancos da Nigéria, cobrindo um período de cinco anos, de 2010 a 2014, usando as características da empresa: tamanho, lucratividade, idade e presença internacional. Foi desenvolvida uma lista de verificação de divulgação composta por 137 itens voluntários e realizada uma análise de regressão múltipla.

**Conclusões:** Os resultados revelaram uma relação positiva significativa entre a divulgação de informações contábeis com a idade e a exposição internacional, e uma relação negativa significativa foi observada para a lucratividade e o tamanho. Em geral, o nível de divulgação no setor bancário foi considerado alto, 62%.

**Implicações sociais, práticas e de pesquisa:** Este estudo recomenda a democratização e o compartilhamento de informações contábeis para criar e restaurar a confiança nas atividades dos bancos e na percepção do público.

**Originalidade/Valor:** A investigação sobre até onde vai a divulgação de informações contábeis deve ser percebida do ponto de vista dos investimentos das partes interessadas. Seja como for, é justo e eticamente moral que as pessoas/grupos que investiram em uma empresa e/ou em um banco tenham acesso regular à divulgação de informações obrigatórias e voluntárias concretas e verificáveis sobre a posição financeira de seus fundos arduamente ganhos para tomar decisões razoáveis.

**Palavras-chave:** Relatórios Anuais, Características da Empresa, Governança Corporativa, Índice de Divulgação, Partes Interessadas.

## DIVULGACIÓN DE INFORMACIÓN CONTABLE: HASTA DÓNDE HEMOS LLEGADO

### RESUMEN

**Objetivo:** La asimetría de la información contable aumenta el riesgo moral, los costes de agencia, el descontento de los accionistas y agrava aún más el malestar de los accionistas minoritarios. Por lo tanto, la cuestión de hasta dónde se puede llegar cuando se relaciona la divulgación de información con las características de las empresas sigue siendo objeto de debate. Así pues, este estudio investigó el nexo entre las características de las empresas y la divulgación de información contable, haciendo hincapié en el subsector bancario de Nigeria.

**Marco Teórico:** La revelación de información contable no se oculta de los debates teóricos en los pasillos de los comportamientos oportunistas, la teoría de la agencia y la asimetría de la información o la teoría de los fallos de información.

**Diseño/Metodología/Enfoque:** Se analizaron los informes anuales de once de los principales bancos de Nigeria durante un periodo de cinco años, de 2010 a 2014, utilizando las características de la empresa: tamaño, rentabilidad, antigüedad y presencia internacional. Se elaboró una lista de control de divulgación compuesta por 137 elementos voluntarios y se realizó un análisis de regresión múltiple.

**Resultados:** Los resultados revelaron una relación significativa positiva entre la divulgación de información contable con la edad y la presencia internacional, y se observó una relación significativa negativa para la rentabilidad y el tamaño. En general, el nivel de divulgación de información en el sector bancario resultó ser elevado, del 62%.

**Implicaciones Sociales, Prácticas y de Investigación:** Este estudio recomienda democratizar y compartir la información contable para crear y restablecer la confianza en las actividades de los bancos y la percepción del público.

**Originalidad/Valor:** La investigación sobre hasta dónde ha llegado la divulgación de la información contable debe percibirse desde el punto de vista de las inversiones de las partes interesadas. Sea como fuere, es justo y éticamente moral que las personas/grupos que han invertido en una empresa y/o en un banco tengan regularmente acceso a información concreta y verificable, obligatoria y voluntaria, sobre la situación financiera de los fondos que tanto les ha costado ganar para poder tomar decisiones razonables.

**Palabras clave:** Informes Anuales, Características de las Empresas, Gobierno Corporativo, Índice de Divulgación, Partes Interesadas.

## 1 INTRODUCTION

The unending catalogue of failed banks and businesses after audited accounting information declaration has perplexed investing public, financial analysts, auditor, and financial managers, as such calling into moral questioning the credibility and reliability of financial reports. The statutory or mandatory disclosures of financial information as required by various country laws, regulations, and International Financial Reporting Standards (IFRS) seem insufficient to satisfy diverse needs of shareholders and stakeholders (Akisik & Gal, 2011; Nguyen et al., 2020) and even for governance in the face of doubt. Hence, financial information disclosure no longer assume low-priority bookkeeping exercise, but a central vital function for confidence building, guiding a company under corporate governance principles (Bernt & Leibfried, 2007; Kanapickiene et al., 2021) and, measurement of performance (Egwakhe et al., 2022).

Accounting information disclosure and mandatory disclosure appears to be complimentary as both add to the authenticity of financial information. In addition, disclosure enhances as it highlights firms' comparative strength with the aim of sustaining public goodwill, increase patronage and sustain competitive advantage. Nevertheless, the position of Hassan and Hossain (2015) is that banking sector's disclosure item is unique and may not align with the items of firms in manufacturing industry. The reason for this could be attributed to Banks and Other Financial Institutions Act (BOFIA) (2004), Nigeria Deposit Insurance Act (NDIC) (2006), the amended Central Bank of Nigeria (CBN) Act (2007), and Securities and Exchange Commission Act which are the key legislations that give extensive guidelines in running the business of banking in Nigeria.

In addition, information disclosure is foundationally critical to decision-making (Hoppe, 2013) with reference to it instrumentality, relevancy (Temiz, 2021), and applicability of such decision in the judgment of business outcomes. The inability to understand and characterize outcomes in consonance with information disclosure reduces the effect (Cai et al., 2015; Garmaise & Natividad, 2010) and relevance of management decision (Robles, 2024). More so, Wanjau et al. (2018) stress that inconsistency in information disclosure could lead to divergence in results, organization's philosophy, undermining or trivializing the clarity of purpose, and eroding investors' confidence. As such, the spiral corporate scandals, financial crises, and corporate failures within the financial eco-system world-wide have reinforced the continuous calls for greater information disclosure. In the light of these contextual observations, the depth and scope of firms' characteristics differential could have

proportional effect on the quality and authenticity of accounting information. Hence, banks' survival is not pillared on doctored financial information, rather on validated accounting information that builds public investors' confidence.

The historical picture from 1968 to 2000 indicated rounds of sixteen commercial bank and fifteen merchant bank failure in Nigeria, leading to licenses revoked (Iwedi, 2017). In addition, thirteen banks failed between 2000 and 2009, and six banks leading to 2011. Banks' failure are often argued on regulatory laxity (Adelemi, 2011; Iwedi, 2017), moral hazard standpoint (Temiz, 2021), and information misrepresentation (Unuagbon & Oziegbe, 2016) with academic gaps existing in literature regarding banks' inherent characteristics. Hence, this study argues from accounting information disclosure and connects the same with banks' performance towards deepening academic insight. The work is structured into sections along introduction, literature review, and methodology, presentation of results, discussion, and conclusion.

## **2 LITERATURE REVIEW**

### **2.1 FIRM PERFORMANCE**

The concept of firm performance have been measured differently as asset size, profit, employees size, branches, sales volume (Bicudo de Castro, 2017), competitiveness (Egwakhe et al., 2019), age, value-added, and cross border experience, with less conventional ones around attitudinal and behavioral gauges (Egwakhe et al., 2022; Modugu, 2017; Soliman, 2013). In this study, the authors considered performance within the purview of financial and non-financial indicators (profit, assets, age, and international exposure). The authors believed that the different measurements used are more of growth proxies especially the absolute increase in indicators. This perspective of growth-performance measure relates more with the law of proportionate effect, which offers unique insights into the performance patterns of banks over time.

## 2.2 ACCOUNTING INFORMATION DISCLOSURE

Scholars claimed that accounting information disclosure refers to the timely announcement or publication of all information about a company that may influence public and investors' decision (Hoppe, 2013; Siyanbola, Fregene & Ogbegbor, 2019; Temiz, 2021). Nguyen et al. (2020) perceived it as a way to implement the transparent process of enterprises to ensure that shareholders and the investors can access information fairly and simultaneously. As such Kanapickiene et al. (2021) opined that organizations should disclose accounting information in order to provide adequate, truthful, and timely information to stakeholders to make reasonable decisions. Within this study, it connotes news, data, and operational details that impact business hence all parties should have equal access to the same set of facts/information in the interest of transparency and fairness.

## 2.3 INFORMATION DISCLOSURE AND PERFORMANCE NEXUS

The discourse on accounting information disclosure, whether mandatory or voluntary is a contemporary issue in view of reoccurring failure of many corporate entities all over the globe. Gul and Leung (2004), Chau and Gray (2010) reported a growing level of information asymmetry between managers and investors. In the midst of this, Gonenc and Aybar (2006) opined that, owners, managers, stakeholders' interest, and emotional investment needed protection. Otherwise, the devils of lack of protection and low disclosure are enough to keep foreign investors away and obstruct international capital flow (Soliman, 2013). Kanapickiene et al. (2021) submitted that the elements of corporate sector governance enforce disclosure and legal protection of minority interests which Mitton (2002), Hoppe (2013), Unuagbon and Oziegbe (2016), and Damagum and Chima (2013) believe are insufficient from moral hazard perspective.

Dahawy (2009) found that the degree of disclosure by Egyptian companies was affected by the highly secretive Egyptian culture; an indication that culture can influence the amount of disclosure. This probably explains why Haw, Qi, and Wu (2000) and Hooks, Coy, and Davey (2002) had earlier found that in reality many annual reports have limited amount of information, which stakeholders believe to be important or even essential, but are not being disclosed. Considering the size of the firm, Jensen and Meckling (1976) reported that large companies face greater agency costs and public discontent because they require large volumes of external

capital to finance their investments while Watts and Zimmerman (1990) argued along political costs and moral sentiment which are greater in large organizations. Conversely, Ghazali and Weetman (2006) argued that the more profitable a company is, the more likely it is for it to disclose financial information. Marston and Polei (2004) also stressed that “good news” firms are competitively encouraged to distinguish themselves from other firms by disclosing more information. Thus, several factors not only limited to culture and costs implication could result in non-disclosure of financial information (Damagum & Chima, 2013; Sweiti & Attayah, 2013)

Different empirical studies were conducted to deepen insight on the nexus between accounting information disclosure and performance in different countries, applying different statistical approaches and varied construct. Temiz (2021), Cai et al. (2015), and Hoppe (2013) utilized a semi-parametric approach, parametric, and regression method to address the issues with results showing strong significant effect especially with reference to risk (Akisih & Gal, 2011), return on asset (Modugu, 2017), and profit level (Siyanbola et al., 2019). The perspective of moral hazard indicated a significant effect that companies without disclosure suffer stereotype, which invariably affect wealth creation (Bicudo de Castro, 2017; Hoppe, 2013; Kartal, 2016). In addition, the factors that determine company disclosure decisions within the context of financial reporting standards harmonization was investigated along dependability and trustworthy manner (Wanjau et al., 2018) and positive significant effect was recorded. It was also observed that firms’ disclosure scores have positive and statistically significant effects on firm value (Hasan & Hosain, 2015). The convergence among these scholars (Akisih & Gal, 2011; Cai, et al., 2015; Healy & Palepu, 2001; Hoppe, 2013; Modugu, 2017; Siyanbola et al., 2019; Temiz, 2021) have solidify the assertion that accounting information disclosure facilitates firms’ performance.

Further, studies on voluntary disclosure practices have robust perspectives as Hasan and Hosain (2015) discovered that firm size proxied by total assets and status significantly and positively affected the level and extent of profit among Bangladesh listed companies. The observation of Hasan and Hosain (2015) was further buttressed that managers often tend to disclose more when their firms are profitable to prove efficient utilization of firm’s unique resource to increase the profit level of the company (Markal, 2016; Shimenga & Miroga, 2019; Siyanbola et al., 2019) which is consistent with shareholders expectation (Temiz, 2021). In addition, Akisik and Gal (2011) observed an association between the level of disclosure and industry type with mixed evidences, which earlier studies such as Camfferman and Cooke (2002), and Archambault and Archambault (2003) demonstrated. However, Alsaeed (2006)



reports no relationship between industry types and levels of disclosure, which could have resulted from context and methodological approaches. Interestingly, Hassan and Hossain (2015) discovered that company age and the status have significant influence on disclosure while size was found not to have any effect on mandatory disclosure; although, Alsaeed (2006) earlier found that firm size was significantly positively associated with the level of disclosure. Results of average disclosure levels by various scholars included 37% in Qatar by Hossain and Hammani (2009), 46% in Kuwait by Al-Shammari (2008), 37% in Greece by Leventis and Weetman (2004), and Ghazali and Weetman (2006) got 31% in Malaysia.

## 2.4 THEORETICAL FRAMEWORK

Accounting information disclosure is not hidden from theoretical discussions within the corridors of opportunistic behaviors, agency-theory (Bicudo de Castro, 2017; Eisenhardt, 1989) and information asymmetry (Cai et al., 2015) or information failure theory. The denominator is that higher information asymmetry between managers and owners leads to higher agency costs arising from such asymmetry (Hassan & Hossain, 2015; Hoenen & Kostova, 2015). As such, what fuels disclosure is performance, which becomes an incentive to signal quality of achievement to investors (Hoenen & Kostova, 2015; Inchausti, 1997; Watson et al., 2002). In addition, management is inclined to disclose accounting information to the public to promote a positive impression (Alsaeed, 2006; Lev, 1992; Robles, 2024), build economic symbiotic bridges, and consolidate political and administrative position (Barako, 2007; Gul & Leung, 2004).

The empirical evidence along theoretical appraisal is however mixed; agency theory addresses and resolves disparities (Hirst & Bebchuk, 2019) or disputes arising from respective priorities or self-interest between principals and agents. The difference in priorities and interests could be resolved through information disclosure. Hoppe (2013) stressed the implicit nature of the asymmetry of information within the principal-agent relationship and its inherent complexity poses a challenge to the elicitation, structuring and sharing of information and knowledge of the enterprise to external stakeholders. Within this context, principal and agent are rational beings (Garmaise & Natividad, 2010) that seek to maximize their utility, although having nonaligned and different interests, and jointly possess different pieces of, and access to information. The principal-agent problem can be understood as an information asymmetry (Cai

et al., 2015), or information failure, moral hazard, opportunistic behavior tendency, and uncertainty problem to the performance of the organization.

### 3 DATA AND METHODOLOGY

The research was quantitative in nature and *expost-facto* research design was utilized. The core of this design was based on a similar study by Kanapickiene et al. (2021) on disclosure of non-current tangible assets information in private sector entities financial statements: The case of Damagum and Chima (2013) on the impact of corporate governance on voluntary information disclosures of quoted firms in Nigeria was also considered. Eleven (11) commercial banks were sampled and they constituted the unit of analysis with emphasis on their annual reports to determine information disclosures and performance. The 11 commercial banks selected were the topmost in terms of size representing not less than 70% of the total assets in the sector. Elimination criteria were established that filtered insurance, manufacturing, and security firms due to their regulatory framework requirements. Also, observations containing missing data were discontinued from the sample and commercial banks that failed, ceased operations or suffered major deficiencies were removed. Secondary data were sourced from annual reports submitted to the NDIC for the years (2010 to 2014) under investigation. The validity and reliability of the data were premised on the legal framework that established the institution under which the data were harvested.

The variables under investigation were constructed and measured traditionally from extant empirical works and the context differential was cushioned towards preventing sweep generalization. Information disclosure (DINDEX) was measured along six parameters: corporate governance, internal controls, human resources, risk management, corporate strategy and business view, and corporate social responsibility. The proxies have one hundred and thirty seven (137) indicative items subject to sufficiency of disclosure, weighted scores, and the relative significance of the segments. Cooke (1989), Gul and Leung (2004), and Hossain and Hammami (2009) utilized these and dummy coded one (1) for the bank that disclosed and zero (0) if not disclosed. Profitability (PROFTY) was determined by dividing the net profit after tax by the total assets. Asset (AST) was measured by the size of a bank and the asset values were logged for normalization. Bank age (AGE) was determined by calculating the number of years each bank has been in existence. International exposure (INTEXP) was premised on banks' off-shore subsidiaries presence with mandatory requirement to meet up with international reporting



standards. The functional relationship between the above dependent variable and independent variables was expressed in the following econometric multiple regression model:

$$DINDEX = B_0 + B_1AGE + B_2lnAST + B_3PROFTY + B_4INTEEXP + E \quad (1)$$

Where:

**DINDEX** = disclosure index,

**AGE** = number of years of operation by the bank from inception to year 2014,

**lnAST** = denotes asset,

**PROFTY** = profitability,

**INTEEXP** = international exposure and

**E** = error term (other variables that influence voluntary disclosure not captured in this model)

**B<sub>0</sub>** = the constant,

**B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub>** and **B<sub>4</sub>** = the coefficients.

In the analysis of the data, descriptive, comparative, and correlational analyses of the variables were conducted. Furthermore, comparative analysis x-rayed the differences between banks on the level of disclosure to establish how far. The correlation matrix provided robust insight on the degree of relationship between the independent variables. Ordinary Least Squares (OLS) technique as adopted and utilized to determine the proportional change in the dependent variable suggestive of change in the independent variables.

#### 4 RESULTS AND DISCUSSION

The results in Table 1 shows the degree of information disclosure by each of the eleven banks taking into consideration the listed indicators with, United Bank of Africa (UBA) showing highest level at 72.99%, followed by Guaranty Trust Bank (GTB) at 66.42%. Other banks that crossed 60% bound were First Bank of Nigeria (FBN) and Union Bank. Three out of the four banks that crossed 60% level of information disclosure are the oldest banks. This is an indication that age is significant in the information disclosure index. The bank that disclosed least was Skye bank; an instructive insight reflective of manner and proxy in disclosure rather than direct like other banks.

**Table 1**

*Results of the computed Voluntary Disclosure Index*

	GTB	UBA	ACCESS	ZEN	FBN	FCMB	Fidelity	Diamond	WEMA	Skye	UNION
	91	100	79	68	84	69	82	76	63	20	84
	137	137	137	137	137	137	137	137	137	137	137
DINDEX	0.664	0.729	0.576	0.496	0.613	0.503	0.598	0.554	0.459	0.145	0.613
In %age	66.4%	72.9%	57.6%	49.6%	61.3%	50.3%	59.8%	55.4%	45.9%	14.6%	61.3%

Source: Computed from the voluntary disclosure matrix (2010-2014) developed in this study

Table 2 presents the minimum, maximum, mean and standard deviation of the variables under study. On the average, the level of information disclosure among the banks was 62% with minimum and maximum values of 54% and 78% respectively. This result shed an empirical insight on *how-far* at 62%, and *so far* around the age; suggestive or indicative of accumulated experience. The results are above the findings from scholars; Hossain and Hammani (2009) 37% in Qatar, Al-Shammari (2008), 46% in Kuwait, Leventis and Weetman (2004) 37% in Greece, and Ghazali and Weetman (2006) 31% in Malaysia. The result probably indicates geographical and sectorial differences since the results from these other countries were related to non-financial companies.

**Table 2**

*Descriptive statistics for study variables*

Statistics		PROFTY	AST	AGE	INTEXP	DINDEX
N	Valid	5	5	5	5	5
	Missing	0	0	0	0	0
	Mean	0.216	21.090	45.636	1.910	0.623
	Std. Deviation	0.102	0.263	1.581	0.000	0.102
	Minimum	0.04	20.71	43.64	1.91	0.54
	Maximum	0.29	21.39	47.64	1.91	0.78

Source: Computed through E-view7 software

#### 4.1 CORRELATION MATRIX

Table 3 contains the correlation analysis results with reference to the degree of dependence and associations between the variables. The highest correlation coefficient was 0.99 between assets size and age of the bank and was statistically significant at 1%. The implication denotes a perfect linear correlation between banks' age and the asset size, suggestive of age-effect (the older a bank, the more likely the larger the volume of assets).

Other variables with strong relationships are age and information disclosure 0.925 at 1%, assets and information disclosure with 0.866 but statistically insignificant.

**Table 3**

*Correlation coefficients Matrix of the variables used for this study*

		PROFT	AST	AGE	INTEXP	DINDEX
PROFT	Pearson Correlation	1	0.030	0.124	-0.631	0.162
	Sig. (2-tailed)		0.962	0.842	0.253	0.795
AST	Pearson Correlation	0.030	1	0.989**	0.193	0.866
	Sig. (2-tailed)	0.962		0.001	0.756	0.058
AGE	Pearson Correlation	0.124	0.989**	1	0.074	0.925*
	Sig. (2-tailed)	0.842	0.001		0.906	0.024
INTEXP	Pearson Correlation	-0.631	0.193	0.074	1	-0.177
	Sig. (2-tailed)	0.253	0.756	0.906		0.776
VDINDEX	Pearson Correlation	0.162	0.866	0.925*	-0.177	1
	Sig. (2-tailed)	0.795	0.058	0.024	0.776	

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

**Regression results**

The results of the regression from E-view7 software

Dependent Variable: DINDEX

Method: Least Squares

Sample: 2010 2014

Included observations: 5

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AGE	0.263933	0.027933	9.448748	0.0671
ASSETS	-1.224197	0.166124	-7.369188	0.0859
IEXPOSURE	7.566172	1.178816	6.418449	0.0984
PROFITABILITY	-0.253455	0.065634	-3.861650	0.1613
R-squared	0.997438	Mean dependent var		0.623260
Adjusted R-squared	0.989753	S.D. dependent var		0.102380
S.E. of regression	0.010363	Akaike info criterion		-6.310492
Sum squared resid	0.000107	Schwarz criterion		-6.622942
Log likelihood	19.77623	Hannan-Quinn criter.		-7.149076
Durbin-Watson stat	3.118516			

Source: Computed through E-view7 software

The Adjusted *R*-squared of 0.989 indicates that the dependent variable variance was explained by the independent variables with insignificant change in the dependent variable as it relates to the error term. With this, the variables under consideration are largely robust and fit to explain information disclosure of the banks. The bank characteristics sub-variables (age and international exposure) exhibited positive relationship with the information disclosure. As such, a unit increase in age and assets brings about 0.264 and -1.22 unit increase and decrease respectively in information disclosure. In addition, one unit increase in international exposure and profitability will bring about 7.56 and -0.25 units increase and decrease in voluntary

disclosure respectively. The  $p$ -statistics showed that the values are all higher than the 5% level but lower than 10% level of significance, hence the independent sub-variables were statistically insignificant with reference to 5% maximum threshold.

## 5 DISCUSSION OF RESULTS

The information disclosure index showed UBA as topping the list of the banks under study at 73% disclosure level. This may be explained by the fact that UBA prides itself as “*Africa Global Bank*” considering the high level presence in other countries scattered all over Africa and also its presence in the United Kingdom as well as United States of America. It is therefore expected that the level of disclosure will be much higher than any other Nigerian bank going by the need to reduce information asymmetry among the stakeholders. UBA is closely followed by GTB, which has its shares being traded in London Stock Exchange. Also with its presence in the United States of America, there is the added pressure for the bank to disclose its activities more voluntarily. This is in line with the report of Gul and Leung (2004), and Chau and Gray (2010) that a growing levels of information symmetry between managers and investors the possibility for more profitability and investments increases.

Gonenc and Aybar (2006) and Soliman (2013) added that, owners, managers, stakeholders’ interest, and emotional investment needed protection to encourage, attract, and sustain foreign investors and boost international capital flow. Thereby, according to Kanapickiene et al. (2021), that the elements of corporate sector governance enforce disclosure and legal protection of minority interests is authenticated. Consequently, the fact this study result showed high information disclosure level for banks with international transactions support previous scholars positions. As such, the observation from other works that managers often tend to disclose more when their firms are profitable to prove efficient utilization of firm’s unique resource to increase the profit level of the company (Hasan & Hosain, 2015; Markal, 2016; Shimenga & Miroga, 2019; Siyanbola et al., 2019) which is consistent with shareholders expectation (Temiz, 2021) especially when international firms are involved is germane.

Further, this study’s findings revealed that a direct, positive relationship exists between the size of the bank and voluntary disclosure level, authenticates the findings of Alsaeed (2006) that firm size was significantly positively associated with the level of disclosure. Likewise, a work by Hassan and Hossain (2015) discovered that size was found not to have any effect on mandatory disclosure. The regression result also revealed a negative relationship with assets,

which implies that as asset value increases, there is lower level of disclosure. This may be peculiar to the banking industry in that the higher the assets, the more likely to be the profit and the increased profit itself is enough disclosure about the performance of management, which increases public confidence. In the same vein, a direct relationship between the age of a bank and the level of disclosure was found. It strengthens the findings by Hassan and Hossain (2015) that company age and the status have significant influence on disclosure.

The result affirms the paper's *a priori* expectation and has been confirmed by the results from the information disclosure index computed which placed UBA, FBN and UNION among the top four. The result for bank size appears to confirm the general public perception that banks are among the profitable businesses and as long as any of them continues to declare profit, that satisfies the investors. The level of information disclosure is high in the banking sector and past research works tilted more towards a positive relationship between profitability and information disclosure, and size and disclosure which this study found otherwise. Aggregation of results from Table 1-3 support the findings that firms' disclosure scores have positive and statistically significant effects on banks' performance and thus solidify the assertion that accounting information disclosure facilitates firms' performance (Hasan & Hosain, 2015; Healy & Palepu, 2001; Modugu, 2017; Siyanbola et al., 2019; Temiz, 2021). However, the position that an association between the level of disclosure and the industry type with mixed evidences as demonstrated (Akisik & Gal, 2011; Archambault & Archambault, 2003; Camfferman & Cooke, 2002), which could have resulted from context and methodological approaches (Alsaed, 2006; Cai et al., 2015; Hoppe, 2013; Temiz, 2021) was not within the purview of this findings.

## 6 CONCLUSION

This paper has presented a report on the relationship between information disclosure levels in the banking sub-sector in Nigeria using eleven top banks in the country as samples. The study revealed that the surveyed bank disclosed at 62 percent; an indication of a sector that prides itself in high profitability and is ready to showcase it. In addition, accounting information disclosure affected the performance of the banks within the timeframe studied. Based on these findings, the following recommendations are put forward to policy makers for possible adoption: Managers of banks should strive towards achieving more disclosure to jump-start profitability as this will reduce agency costs. A continuous report of enviable profit and

payment of dividends will increase the confidence of the investors. Increased global presence is important to sustainable growth; as such banks should increase their frontiers to all continents of the world. Therefore, the investigation on how far is so far in accounting information disclosure should be perceived from the eye of the stakeholders investments. Be that as it may, it is only fair and ethically moral for persons/groups that have invested in a business and or in a bank to regularly have access to concrete and verifiable mandatory and voluntary information disclosure on the financial position of their hard-earn funds to make reasonable decisions.

### FURTHER STUDIES

Further scholars should consider the introduction of risk and reputational cost in the assessment of accounting information disclosure to the banks performance. Studies should consider using annual reports of financial institutions in their countries to analyze financial disclosure and performance covering a period from 2015 to 2019. Other statistical tools can be deployed in the analysis.

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