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Risk Management Disclosures and Corporate Reputation of Listed Deposit Money Banks in Nigeria

Adepoju Oladipo Adeyemi¹, Aderemi Olalere Adebayo², Adebayo Olagunju³, Adeleye Oluwasegun Lekan⁴

1. Department of Accountancy, Faculty of Management and Business Studies, Osun State College of Technology Esa-Oke
2. Osun State University, Osogbo, Osun State Nigeria,
3. Osun State University, Osogbo, Nigeria
4. Department of Business Education, School of Vocational and Technical Education, Osun State College of Education, Ila-Orangun

* Correspondence: yemlaonline2@gmail.com, aderemi.adebayo@uniosun.edu.ng, adebayo.Olagunju@edu.ng, adeleyeoluwasegun3@gmail.com

Abstract: This study reviewed the effect of risk management disclosures (RMD) on the corporate reputation (CRP) of quoted banks in Nigeria ranging from year 2016 to year 2023. The study focused on fourteen (14) banks listed on the Nigerian Exchange Group and used Operational Risk Management Disclosure (OPM), Credit Risk Management Disclosure (CMD), and Technological Risk Disclosure (TMD) as RMD proxy. Secondary data were obtained from the banks' published annual reports, and panel regression analysis was employed for the analysis of the data gathered for this study. The fixed-effect regression analysis technique used in this study showed that OPM and CMD have favorable and notable effects on CRP. Contrariwise, TMD was found to have no significant impact on CRP. The study concludes that better and reliable disclosure of RMP is essential for sustaining public trust and building strong reputation in the Nigerian banking industry. It recommends that banks should strengthen transparency in reporting, especially in operational and credit risk areas.

Keywords: Credit Management Disclosures, Corporate Reputation, Operational Management Disclosures, Technological Disclosures

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1. Introduction

However, the importance of corporate transparency, sustainability reporting, and risk management disclosure has increased due to the changing global business landscape, especially in the financial sector. Because of their critical role in financial stability and economic growth, banks must embrace ethical business practices that meet international sustainability standards. Financial institutions now use sustainability reporting as a strategic tool to explain their environmental, social, and governance (ESG) practices. In order to ensure that banks successfully manage uncertainties and potential threats, risk management disclosure has simultaneously emerged as a critical component of corporate governance [1].

Stakeholder trust and the long-term viability of the company are both greatly impacted by these two disclosure practices. But little is known about how much Nigerian banks incorporate risk management and sustainability reporting into their business plans and how this affects their reputation.

However, the process through which financial institutions reveal details about their risk exposures, mitigation plans, and regulatory compliance is known as risk management

disclosure [2]. Risk disclosure is essential to reassuring stakeholders of an institution's resilience and financial health because banking operations are intricate and dynamic. Effective risk management is crucial to avoiding financial distress, regulatory penalties, and reputational harm in Nigeria, where banks operate in a volatile economic and regulatory environment. While insufficient or deceptive disclosures can result in unfavourable market perceptions and a decline in investor trust, transparency in risk disclosure can boost stakeholder confidence and improve a company's reputation. Examining how Nigerian banks reveal their risk management plans and how much this affects their reputation is therefore essential.

A company's reputation is an intangible asset that represents how stakeholders view its moral character, sound financial standing, and social responsibility. A good reputation can draw in investors, increase client retention, and strengthen ties with regulators. On the other hand, harm to one's reputation may result in monetary losses, fines from the authorities, and a decline in market trust. Accordingly, risk management disclosure and sustainability reporting are essential tools that banks can use to mould and safeguard their brand [1]. The relationship between these disclosures in the Nigerian banking industry, in particular whether sustainability reporting mitigates the impact of risk disclosure on reputation, is not well supported by empirical data.

The Nigerian banking system has a substantial level of risk management disclosure, which reflects the industry's developments as well as its difficulties. Although banks have made progress in putting risk management procedures into place, there are still gaps in their disclosures, according to a number of studies [3][4]. Banks are required to reveal their risk management procedures by regulatory frameworks like the Financial Reporting Council of Nigeria (FRCN, Act, No. 6, 2011) standards and the Central Bank of Nigeria (CBN) guidelines [5]. Effective risk management procedures are hampered by governance and regulatory compliance issues that many banks face. Strengthening risk management frameworks requires ongoing reforms by regulatory organisations such as the Central Bank of Nigeria [6].

Banks can improve their overall image by implementing comprehensive sustainability practices that reduce reputational risks related to social and environmental issues [7]. The need for banks to implement strong disclosure procedures is highlighted by the serious reputational damage that can arise from failing to appropriately handle risk management. The challenge is figuring out how risk management disclosure and sustainability reporting affect banks' corporate reputations because previous research has produced contradictory findings, requiring a thorough examination to reveal these connections and the factors that influence them.

In order to find gaps in present reporting methods and offer suggestions to improve transparency, governance, and long-term financial sustainability in the banking industry, it is essential to evaluate the relationship between these disclosures and business reputation. For financial institutions, a company's reputation is a vital tool that affects investors' trust and long-term stability [8]. Also, RMD greatly enhances a bank's reputation by demonstrating its ability to manage regulatory frameworks and financial risks.

This study is significant because it clarifies the relationship between risk management disclosure and business reputation in the Nigerian banking industry. Since financial institutions are essential to both economic stability and sustainable development, it is critical to comprehend how they communicate their risk management plans. By illuminating the degree to which Nigerian banks share information on risk management procedures, the study will add to the expanding corpus of knowledge on corporate reputation.

This study aims to examine the influence of risk management practices on the corporate reputation of listed Nigeria banks.

Literature Review

Risk Management Practices

Risk Management is the process of identifying, assessing, and controlling threats to an organization's capital, earnings, or operations. It involves systematic steps to minimise

the impact of risk, such as; identification of potential risks, mitigation or control strategies, monitoring and reviewing risks over time. Risks can be internal, such as operational failure or external, such as market changes, cyber threats [2]. The purpose is to reduce uncertainty and support decision-making to achieve business objectives. The common types of risk are financial, operational, strategic and compliance risks.

The availability of cash or its equivalents is known as liquidity. The possibility of insufficient liquid assets to cover insurance payouts (such as surrenders, costs, and maturities) is known as liquidity risk. It indicates a company's capacity to fulfil its financial obligations on time without interfering with regular business activities [9]. Liquidity ratios are evaluated by regulators to make sure that the law is being followed. Accordingly, a bank's liquidity risk is the possibility that it won't be able to satisfy its obligations or make loans on schedule [10]. When a bank can swiftly and affordably acquire adequate funds through both an increase in debt and the conversion of liquid assets into cash, it is said to have sufficient liquidity [11].

According to Arif and Nauman, liquidity risk is the bank's incapacity to pay its obligations, including deposits, on time or to supply the money needed for loans [12]. The time discrepancy between inflows and outflows is the primary driver of this risk, which is mostly caused by asset structure and loans [13]. Financial, technological, operational, and strategic risk management disclosures are the different categories of risk management disclosures.

Given that any risk a bank faces that isn't market or credit risk falls under this category, operational risk is frequently regarded as a residual risk.

We may then examine the bank's financial statements and eliminate (a) the impact of credit losses and (b) the profits or losses from market risk exposure from the income statement in order to generate an estimate of operational risk. Operational risk would thus be blamed for the fluctuation in the final income. Operational risk is the possibility of suffering a loss as a result of either external occurrences or insufficient or unsuccessful internal systems, personnel, and procedures (Basel Committee on Banking Supervision, 2001). Legal risk is included in this definition, but reputational risk and the risk arising from strategic choices are not. Certain operational risks cause the bank's operating expenses to rise or its revenue to fall. Credit and market risk interact with other operational risks [14].

There are two main ways that credit risk can arise: either the customer has a hidden purpose about the requested credit facility that the bank is unaware of, or the bank management fails to thoroughly investigate the customer's loan requests. Due to the joint actions of bank management and clients, principal and interest are not paid on time. Non-performing loans are those that are not repaid by the scheduled deadline. The biggest danger to banks' survival and profitability is non-performing loans, particularly when they are considered lost. Losing it will make it more difficult for banks to meet their goals and may even result in organisational failures.

A crucial procedure for businesses negotiating the challenges of a technologically advanced society is technological risk management disclosure, or TRMD. According to Al-Hadi, investors may overestimate the projected loss and the probability that a technological risk event will occur if they receive little to no information regarding an insurance company's technical risk management (TRM), which could drive them to seek a greater return [15]. Organisations can improve transparency, guarantee compliance, and foster stakeholder trust by implementing structured methods for identifying, managing, and reporting technology-related risks [16]. TRMD procedures must change to stay applicable and efficient as technology advances and regulatory requirements rise [14].

Corporate Reputation

Stakeholder perceptions and business outcomes are significantly impacted by the complicated concept of corporate reputation. It encompasses the general perceptions of a company's attractiveness, which are influenced by a number of elements, including employee sentiment, crisis communication, corporate social responsibility (CSR), and the evolving business environment. A positive reputation offers a competitive edge, and sentiment analysis of online reviews can effectively assess employee opinions about their

firms, enhancing stakeholder engagement. Effective crisis communication is essential for maintaining corporate reputation during negative events.

One intangible asset that offers a long-term competitive advantage is a company's reputation. It affects stock value, especially in times of crisis, when a favourable reputation can reduce negative effects and produce extraordinary returns that boost investor confidence and financial performance [17]. Market capitalisation is heavily influenced by corporate reputation, which is an essential stand-in for evaluating a company's financial standing and investor opinion. According to research, a company's market worth, capital expenses, and financial performance can all be improved by having a good reputation. In the financial markets, market capitalisation is frequently utilised as a stand-in for a company's reputation since it shows investor confidence [18].

Higher market capitalisation companies typically have lower debt costs, suggesting that a solid reputation can lower borrowing costs [18]. According to Arayssi and Jizi, there is a correlation between a positive reputation and a market value premium, indicating that businesses with a good reputation have superior financial results [19].

Risk Management disclosures and Corporate Reputation

Risk disclosure is essential to reassuring stakeholders of an institution's resilience and financial health given the intricate and dynamic nature of banking operations. Effective risk management is crucial to avoiding financial hardship, regulatory penalties, and reputational harm in Nigeria, where banks operate in a turbulent economic and regulatory environment. While insufficient or deceptive disclosures can result in unfavourable market perceptions and a decline in investor trust, transparency in risk disclosure can boost stakeholder confidence and strengthen a company's reputation [2].

Examining how Nigerian banks disclose their risk management techniques and the degree to which these disclosures impact their reputation is therefore essential. According to Arora et al., metrics like market capitalisation and excess market value over book show that risk disclosure has a beneficial impact on a company's reputation [20]. According to Oprean-Stan et al., involvement in disputes undermines sustainability, while risk management enhances financial/market performance and sustainable growth [1].

Theoretical Framework

Legitimacy Theory

According to legitimacy theory, which was first presented by Dowling and Pfeffer in 1975 and expanded upon by Suchman in 1995, organisations must match their operations with society norms in order to preserve legitimacy and guarantee their survival [21][22]. According to this view, companies willingly participate in disclosures like risk management and sustainability reporting in order to uphold their social contract with stakeholders and show accountability. Organisations run the danger of losing legitimacy when they don't live up to social expectations. This can result in stakeholder mistrust, regulatory scrutiny, and reputational harm.

The study states that banks should provide sustainability reports to support their operations and maintain public trust, especially during difficult times. Banks often enhance their sustainability reporting, especially in high-risk scenarios, to justify their activities. Larger banks and those in sensitive industries usually divulge more information in order to protect their reputation capital.

This perspective holds that organisations must operate in accordance with social values in order to maintain their legitimacy and, consequently, their operating licence. The next sections provide a detailed explanation of key aspects of this relationship. According to legitimacy theory, banks in the banking sector employ sustainability reporting and risk management disclosure to justify their operations within ethical and regulatory frameworks. In the highly monitored world of banking, trust and reputation are critical to financial stability. By being transparent about their environmental, social, and governance (ESG) activities, banks demonstrate their commitment to ethical business practices and corporate responsibility.

Effective risk management disclosure is essential for banks to demonstrate transparency and responsibility. This is in line with legitimacy theory since stakeholders expect banks to manage risks responsibly, particularly during financial crises [23].

Similarly, risk management disclosure ensures stakeholders that banks have enough mechanisms to handle financial uncertainty and regulatory compliance. These disclosures help banks maintain public trust, improve company reputation, and ensure long-term survival by strengthening their legitimacy in the eyes of regulators, investors, customers, and the general public. According to the application of legitimacy theory, effective risk communication is part of a social contract that helps firms by improving their reputation [24].

Empirical Review

Tan and Yeo investigated how risk disclosure tone affects investors' assessments of stock valuation and the impact of offering risk management in addition to risk disclosures [25]. Although, in theory, revealing both the risk and how it is managed gives investors the most comprehensive understanding of corporate risk, in reality, risk management disclosures are required in some situations but not in others. We find that when the tone of risk disclosure is positive, risk management disclosures have a positive impact on judgements even in the absence of risk materialisation. Additionally, when a positive or negative tone is employed in the presence or absence of risk management disclosures, investors assign lower (higher) stock valuations. However, investors' opinions are no longer influenced by risk management disclosures and tone due to the unfavourable news of risk materialisation. Regulators and managers should take note of our findings as investors may penalise companies that disclose risks, even if those risks have been adequately managed.

Osman and Baldvoo investigated how South African listed firms disclosed risks during the COVID-19 epidemic [26]. Given the complexity of risk reporting, the phenomena of corporate risk disclosure was examined via a multi-theoretical lens, including agency, legitimacy, and stakeholder theories. Before and during the Covid-19 epidemic from 2019 to 2021, a content analysis of the annual reports of a sample of non-financial corporations listed on the Johannesburg Stock Exchange (JSE) was carried out. To ascertain the degree of company risk disclosure, both required and voluntary, 84 annual reports were examined. The amount of business risk disclosure was determined using a self-developed disclosure index consisting of 25 risk elements spread over three risk categories. During the Covid-19 outbreak, there was a noticeable increase in the level of business risk disclosure. The scope of corporate risk disclosure in South Africa during the epidemic is examined for the first time in this study. Information consumers, businesses, the government, regulatory agencies, and researchers can all benefit from the study's conclusions.

Arora et al. explored the unexplored area by looking at how risk disclosure affects a company's reputation in an emerging market like India, which is characterised by substantial information asymmetry and uncertainty [20]. Market capitalisation and the excess of market value over book value are the two metrics used to gauge a company's reputation. To gauge the level of overall risk disclosure, automated content analysis has been carried out. The empirical analysis is based on a sample of the S&P BSE-100 index from 2009–2010 to 2018–2019, which is subsequently limited to 58 nonfinancial enterprises during a ten-year period.

Panel regression analysis has been used to identify the risk-reputation link. The primary conclusions reveal that corporate risk disclosure improves a company's reputation. Its alternative metrics, such as market capitalisation and the excess of market value over book value revealed to have a favourable impact on a company's reputation, support legitimacy theory.

Bokpin offered proof that the Ghanaian stock market's stock price (STP) and MVB are not significantly affected by the publication of strategic RMD [27]. The study used OLS to determine that voluntary reporting had no effect on Ghana's MVB or STP. Yusuf investigated how non-financial reporting affected the profitability of businesses in the industrial products sector listed on the NGX [28]. Yusuf measured RM using financial risk management (FRM) [28]. The study examined the regression model test tool and discovered a significant positive correlation between firms' risk management (RM) disclosure, ROE, and profitability proxy.

Risk disclosure in Greek listed businesses is examined by Gonidakis et al. [29]. The financial crisis's impacts were also taken into account. Through a content analysis of their annual reports, this study sought to ascertain the risk-reporting practices of Greek non-financial enterprises listed on the Athens Stock Exchange. Identifying and anticipating risks safeguards companies and increases shareholder value. Risk has emerged as one of the most significant business concerns in recent years, especially since the economic crisis. This study discovered that transparency increased at times of crisis. The three risk categories that were most frequently reported were financial, people, and legal. Liquidity was also identified in this investigation as a critical problem. Because subjectivity cannot be completely eliminated, content analysis has limitations.

2. Materials and Methods

The research design utilized in this research work was ex post facto. This was supported by the fact that the secondary data included in the research have been in existence before. 14 deposit money banks quoted on the Nigerian Exchange Group (NGX), spanning across the years 2016–2023 were selected from the total population as sample size using purposive sampling techniques. The data utilized for the study was gotten from the financial statements of Nigeria's quoted deposit money banks. Descriptive statistics, fixed effect regression model and correlation analysis were utilised as data estimation tools.

Measurement of Variables

Table 1. Variable Measurements

Variables	Measurement	A Priori Expectations	Sources
Dependent Corporate Reputation	Market capitalisation = number of outstanding shares X share price.		Adenle et al. [30], Adebayo et al. [2]
Independent Operational Management Disclosure (OPM), Credit Risk Management Disclosure (CRM), Technological Management Disclosure (TMD) and	The items (FRM, SRM, ORM, TRM) were scored using a dichotomous technique by (GRI), whereby each item disclosed in the annual report received a "1-point" score, and any other item received a "0-point." The total of each item's scores were then calculated.	+/-	Yusuf [28],
Leverage (<i>LEV</i>)	Is expressed as the proportion of total debt to total assets	+	Olagunju et al. [31], Adegemi et al. [32]
Profitability (<i>PROF</i>)	ROE = Net Profit after Tax/Total Equity	-	Olu-Akinola et al. [33][34]

Source: Researcher's Compilation, (2025)

Model Specification

$$CRP_{it} = \alpha_1 OPM_{it} + \alpha_2 CMD_{it} + \alpha_3 TMD_{it} + \alpha_4 LEV_{it} + \alpha_5 PROF_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

Where,

OPM = Operational Management Disclosure

CMD = Credit Management Disclosure

TMD = Technological Risk Disclosures
 CRP = Corporate Reputation
 LEV= Leverage
 PROF = Profitability
 ε = Error term and $\varepsilon \sim N(0, \sigma^2\varepsilon)$

3. Results and Discussion

Table 1. Descriptive Statistics

	CRP	CMD	OPM	TMD	LEV	ROE
Mean	1.0499	4.117	3.234	4.117	4.4154	17346.38
Median	0.9440	4.000	3.000	5.000	4.110	13609.47
Maximum	3.0530	5.000	5.000	5.000	6.130	24777.00
Minimum	0.2320	3.00	2.000	2.000	3.970	9246.920
Std. Dev.	0.3662	0.5990	1.198	1.277	0.671	5746.40
Skewness	2.9442	-0.0445	0.401	-0.956	2.034	-0.0286
Kurtosis	13.467	2.722	1.6240	2.082	5.530	1.303
Jarque-Bera	667.1503	0.393	11.737	20.807	106.1917	13.321
Probability	0.000	0.821	0.0028	0.000030	0.000	0.0013
Sum	116.546	457.000	359.000	457.000	490.110	1925448.0
Sum Sq. Dev.	14.757	39.477	157.910	179.478	49.541	3.630
Observations	112	112	112	112	112	112

Source: Authors' Computation (2025)

The outcomes from the descriptive statistics indicate that the CRP have an average value of 1.0499, a median of 0.9440 a maxi. of 3.0530, and a mini. of 0.2320. As regards the independent variables, CMD exhibited mean, median, maxi., mini. and stand dev. values of (4.117, 4.000, 5.000,3.00 and 0.5990) respectively. OPM and TMD also exhibited mean, median, maxi., mini. and stand dev. values of (3.234, 3.000,5.000,2.000,1.198) and (4.117, 5.000, 5.000, 2.000, 1.277) correspondingly. The control variables LEV and PROF have a mean, median, maxi. mini. and stand dev. values of (4.4154, 4.110,6.130,3.970, 0.671) and (17346, 13609, 24777, 9246, 5746) correspondingly. The kurtosis study also showed that none the variables exhibited a platykurtic dispersal because their kurtosis figures were more than three, apart from ROE, which had values below three. Additionally, the distributions of CRP, OPM, LEV were favourably skewed, suggesting that they were skewed to the right.

Correlation Analysis

Table 2. Correlation and test of Multi-Collinearity

	CRP (1)	OPM (2)	CMD (3)	TMD (4)	LEV (5)	ROE (6)	VIF	1/VIF
(1)	1.000							
(2)	0.1793	1.000					1.08	0.925
(3)	0.1345	0.2131	1.000				1.23	0.813
(4)	0.0204	0.124	0.1905	1.000			1.26	0.794
(5)	0.0780	0.0865	0.0412	-0.659	1.000		1.67	0.598
(6)	0.0846	0.8401	0.7011	0.1650	0.3571	1.000	1.05	0.9524

Source: Authors' Computation (2025)

The correlation coefficients among the independent variables are generally low, ranging from -0.659 to 0.2131 . The highest positive correlation (0.2131) is between OPM and CMD, while the only negative correlation (-0.659) is between TMD and LEV. Since none of the correlation coefficients exceeds 0.80 , it suggests that there is no severe pairwise multicollinearity among the variables (Gujarati & Porter, 2009). This indicates that each independent variable contributes distinct information to the model, and there is no strong linear relationship that could distort regression estimates. The correlation coefficient of 0.1793 indicates a weak yet favourable relationship between CRP and OPM. This implies that a small correlation exists between an improvement in CRP and an increase in OPM. Nevertheless, there is not enough correlation to suggest a significant relationship between the two factors. Furthermore, there is a small but positive association of 0.1345 between CRP and CMD. This suggests that, although the association is still weak, companies with greater levels of CMD typically have somewhat higher levels of CRP.

The correlation coefficient of 0.0204 indicates a very weak positive relationship between CRP and TMD. This suggests that there is minimal direct association between TMD and CRP in the research sample.

The relationship between CRP and LEV is 0.0780 , which is positive and weak. This suggests that firms with slightly higher leverage may engage marginally more in CRP, though the relationship is negligible. Also, the correlation between CRP and ROE is 0.0846 , also positive and weak. This implies that firms with higher profitability (as measured by return on equity) are somewhat more likely to enjoy better CRP, though the association remains weak. The VIF diagnostics further confirm no evidence of multicollinearity. Therefore, the regression estimates derived from these variables are statistically reliable and stable. All the VIF values (1.05 – 1.67) are very low, far below the threshold of 5 . The corresponding tolerance values (0.60 – 0.95) are all well above 0.1 , which confirms that there is no evidence of multicollinearity among your independent variables.

Table 3. Specification and Regression Diagnostic Test Outcomes (CRP)

Test	P-val.	Comments
F-test	0.0000	Panel regression is a better option than pooled OLS.
Hausman Test	0.047	Fixed Effect is most Preferred
Breusch pagan Heteroscedasticity	0.002	Absence of heteroscedasticity

Source: Authors' Computation (2025)

The F-test recorded a p-value of 0.0000 , which is statistically significant at the 5% level. This result indicates that the panel regression model is more suitable than the pooled OLS model, confirming the presence of significant individual (cross-sectional) or time effects within the data. The Hausman test yielded a p-value of 0.047 , which is less than the 0.05 significance level. This means that the Fixed Effects Model (FEM) is preferred over the Random Effects Model (REM), as it suggests that the individual-specific effects are correlated with the explanatory variables. Therefore, the fixed effect estimator provides more consistent and reliable results for this dataset. Also, The Breusch Pagan heteroscedasticity test produced a p-value of 0.002 , which indicates that heteroscedasticity is absent in the model. This implies that the variance of the error terms is constant across observations, satisfying one of the key assumptions of classical linear regression and confirming the robustness of the model estimates.

Panel Regression Result

Hypothesis: Risk Management Disclosures does not have any influence on the corporate reputation of quoted Nigeria banks in Nigeria.

Table 4. Estimated Fixed Effect Panel Regression Analysis Results

Var.	Coeff.	Std. Err.	T-stat.	Prob.
C	1.204	0.5106	2.36	0.020
OPM	0.2746	0.1049	2.62	0.009
CMD	0.2980	0.1281	2.32	0.022
TMD	-0.01238	0.0449	-0.28	0.783
LEV	-0.07559	0.9355	-0.81	0.419
PROF	0.3800	0.00002	0.25	0.801
R ²	0.501			
Adj. R ²	0.476			
F-Stat.	3.40			
Prob>F	0.0027			

Source: Authors' Computation (2025)

Table 4 presents the results of the Fixed Effect Panel Regression examining the effect of risk management disclosures on the corporate reputation (CRP) of quoted banks in Nigeria. The explanatory variables include Operational Risk Management Disclosure (OPM), Credit Risk Management Disclosure (CMD), Technological Risk Disclosure (TMD), Leverage (LEV), and Profitability (PROF).

The model's R² value of 0.501 indicates that approximately 50.1% of the variation in corporate reputation is explained by the independent variables. The adjusted R² of 0.476 shows that, after adjusting for degrees of freedom, about 47.6% of changes in corporate reputation can still be attributed to the predictors in the model. The F-statistic (3.40) with a p-value of 0.0027 is statistically significant, confirming that the explanatory variables, taken together, have a jointly significant effect on corporate reputation among the sampled banks.

The coefficient of 0.2746, t-statistic of 2.62, and p-value of 0.009 show a positive and statistically significant relationship between OPM and firm reputation. This suggests that when banks grow more transparent about their operational risk management practices, stakeholders see them as more reputable and trustworthy.

Nonetheless, a positive and significant impact of credit risk management disclosure on company reputation is demonstrated by the coefficient of 0.2980 and the p-value of 0.022. This suggests that banks improve their reputation in the financial sector and boost public confidence when they successfully explain their credit risk management measures.

Additionally, a negative but statistically insignificant association between technology risk disclosure and business reputation was shown by the coefficient of -0.01238 and p-value of 0.783. This suggests that, despite its importance, technological risk disclosure has little effect on Nigerian banks' perceived reputations. This could be because of inconsistent disclosure methods or a lack of awareness among stakeholders. There is no significant effect of the control factors on CRP.

Leverage appears to have a negative and negligible impact on company reputation, according to the LEV coefficient of -0.07559 and the p-value of 0.419. Accordingly, a bank's reputation among stakeholders during the research period is neither always harmed or improved by rising debt levels. Profitability and company reputation have a positive but statistically insignificant association, as indicated by the coefficient of 0.3800 and p-value of 0.801. In this study, stakeholder perception of a bank's reputation is not greatly influenced by profitability alone, even though more profitable institutions may seem respectable.

Discussion of Findings

The fixed effect panel regression analysis's findings provide valuable insights into how risk management disclosures impact Nigerian listed banks' corporate standing. Business reputation is significantly impacted by the explanatory factors taken combined, as indicated by the F-statistic (3.40) and its corresponding probability value (0.0027). This shows that differences in Nigerian banks' corporate reputations may be largely explained by differences in the scope and quality of their risk management disclosure procedures.

nAccording to the study, company reputation is positively and statistically significantly impacted by Operational Risk Management Disclosure (OPM) ($p = 0.009$).

This suggests that banks' corporate image is strengthened and stakeholder trust is increased when they are transparent about how they detect, evaluate, and manage operational risks. The outcome is consistent with stakeholder theory and research by Arora et al. and Tan and Yeo, which highlight how open disclosure of risk-related information enhances stakeholders' perceptions of corporate responsibility and dependability [20][25].

Similarly, it was discovered that company reputation was positively and significantly impacted by Credit Risk Management Disclosure (CMD) ($p = 0.022$). According to this research, investors, depositors, and regulators view Nigerian banks as more trustworthy and responsible when they actively disclose their credit risk management procedures, such as loan monitoring, credit appraisal, and default control tactics. The outcome is consistent with the findings of Tan and Yeo, Arora et al., and stakeholder theory [20][25]. This bolsters the claim that efficient risk communication enhances market confidence and lessens information asymmetry.

On the other hand, business reputation and Technological Risk Disclosure (TMD) have a negative but statistically insignificant connection ($p = 0.783$). This finding suggests that stakeholders in the Nigerian banking sector have not yet paid much attention to disclosures pertaining to technical risks, such as cybersecurity precautions or the resilience of digital infrastructure. This can be because stakeholders don't fully comprehend this information or because technical risk disclosure methods are relatively new.

The results of this study corroborate those of Kaur et al., who stated that companies with larger market capitalisation typically have lower debt costs, suggesting that a solid reputation can lower borrowing rates [18]. Additionally, Arayssi and Jizi confirm to this by claiming that a favourable reputation is correlated with a premium in market value, implying that businesses with a good reputation have superior financial results [19]. According to Oprean-Stan et al., involvement in disputes undermines sustainability, while risk management enhances financial/market performance and sustainable growth [1].

Additionally, leverage (LEV) has a negative and insignificant effect on corporate reputation ($p = 0.419$), suggesting that a bank's degree of debt financing has little bearing on public opinion. In a similar vein, profitability (PROF) shows a positive but insignificant effect ($p = 0.801$), indicating that although profitability improves a bank's financial position, it does not directly lead to a better reputation unless it is combined with strong social responsibility and transparency.

The R² value of 0.501, which indicates that the model explains about half of the variation in firm reputation, suggests a moderate explanatory power. This supports the notion that a company's reputation may be influenced by non-financial factors such as ethical behaviour, governance structure, and the quality of customer service, even though risk management disclosures are important.

4. Conclusion

This study used fixed-effect panel regression analysis to investigate how risk management disclosures affected the corporate reputation of Nigerian quoted banks. The results showed that company reputation is positively and statistically significantly impacted by both Operational Risk Management Disclosure (OPM) and Credit Risk Management Disclosure (CMD). This implies that banks tend to develop better reputational capital among stakeholders when they are open and transparent about their risk management practices, especially in the operational and credit domains.

However, there was no discernible correlation between company reputation and Technological Risk Disclosure (TMD), Leverage (LEV), or Profitability (PROF). This suggests that although these elements are crucial to overall business performance, stakeholders' perceptions of the bank's reputation might not be directly impacted by them. The outcome also suggests that stakeholders may not completely understand the

significance of technical risk disclosure or that Nigerian banks may not yet lay enough focus on it. Overall, the study finds that a major factor influencing a company's image in the Nigerian banking industry is its open disclosure of risk management procedures. Stakeholder confidence is strengthened, uncertainty is decreased, and public trust is increased when operational and credit risk information is communicated effectively. As a result, regular and thorough reporting of risk-related data ought to be viewed as a tactical instrument for maintaining long-term competitive advantage and reputational strength.

The following suggestions are offered in light of the findings: Nigerian banks ought to improve the breadth and calibre of their operational and credit risk management disclosures. Clear reporting templates, thorough explanations of risk mitigation techniques, and frequent updates on risk exposure can all help achieve this. Given the growing digitisation of financial services, banks should prioritise disclosing technological and cybersecurity risks. Customer trust may be increased by open communication on fraud prevention, data security, and IT risk resilience.

It is imperative for boards and management to ensure that risk disclosure protocols are incorporated into the broader framework of corporate governance. Strong governance promotes accountability and consistency in reporting, which improves reputation. In order to educate stakeholders including customers and investors about the need of various risk disclosures, banks and regulators should work together. When stakeholders comprehend the information supplied, reputation is more significantly impacted. The Central Bank of Nigeria (CBN) and other regulatory bodies shall monitor and enforce compliance with disclosure standards in line with IFRS and Basel principles. Disclosure-requiring frameworks can improve bank comparability and uniformity.

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