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*RESEARCH ARTICLE*

# REPOSITIONING NIGERIAN DEPOSIT MONEY BANKS THROUGH TRANSPARENCY AND ACCOUNTABILITY MECHANISMS FOR ECONOMIC GROWTH

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## ABSTRACT

This study investigates the levels of transparency and accountability among Nigerian Deposit Money Banks in 2024 by developing a Bank Transparency Disclosure Index (BTDI). Specifically, it evaluates the overall transparency performance of Nigerian banks, examines differences in disclosure practices between Tier-1 and Tier-2 banks, and identifies strengths and weaknesses in their financial, governance, risk, sustainability, and stakeholder communication disclosures. Data for the study were obtained from audited annual reports, sustainability reports, investor presentations, and regulatory submissions to relevant authorities, including the Central Bank of Nigeria and the Nigerian Exchange Limited. A binary scoring approach was applied to assess individual disclosure indicators, and the scores for each dimension were then standardized to generate an overall transparency index ranging from 0 to 100 percent. The findings indicate that Nigerian Deposit Money Banks exhibit a moderate level of transparency and accountability, with Tier-1 banks achieving higher disclosure scores than Tier-2 banks. The results reveal existing gaps in accountability and transparency practices across the banking sector. The study concludes that stronger regulatory compliance, improved disclosure practices, and enhanced governance mechanisms are essential for promoting transparency and accountability within Nigerian banks. The findings offer useful implications for regulators, policymakers, investors, and banking institutions seeking to strengthen reporting practices, improve financial sector stability, and support sustainable economic growth.

**Keywords:** Bank accountability, transparency, disclosure index, corporate governance, financial reporting.

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## 1.0. INTRODUCTION

Economic growth refers to the sustained expansion of a country's economic capacity, reflected in increased production of goods and services, improvements in income levels, and enhanced productivity over time. It is commonly assessed using indicators such as gross domestic product (GDP) growth, output expansion, and changes in real income per capita. Previous studies have emphasized the significant contribution of financial institutions to economic development by facilitating investment, resource allocation, and productive economic activities (Okpala, Ezeanolue & Edoko, 2018; Sanusi, 2012). The financial system, with banks serving as its central component, creates economic linkages by mobilizing savings, providing credit facilities, supporting specialization, and enabling the effective implementation of government policies aimed at achieving sustainable growth, price stability, and employment creation (Sanusi, 2011).

Financial systems consist of various institutions that support the movement and management of funds within an economy. In Nigeria, the banking sector represents the most developed component of the financial system, with deposit money banks serving as the primary financial intermediaries. These institutions facilitate economic activities by collecting deposits, providing financing to individuals and businesses, supporting investment decisions, and promoting financial inclusion. Consequently, deposit money banks remain important drivers of economic growth and stability in Nigeria. The Nigerian banking industry is among the largest financial systems in Africa, comprising more than 20 licensed banks with substantial asset holdings that contribute significantly to national economic activities.

Transparency and accountability have become critical elements in strengthening confidence and ensuring effective governance within banking institutions. They provide stakeholders, regulators, and the public with relevant information needed to evaluate banks' performance, financial condition, and risk exposure (Herder, Sabi, Schoof & Hees, 2015). In Nigeria, ongoing regulatory reforms, recapitalization initiatives, and increasing investor expectations have made transparent reporting practices essential for assessing corporate governance quality, risk management effectiveness, and financial accountability. Despite their strategic importance, deposit money banks have continued to face concerns regarding their effectiveness in supporting economic transformation.

Although banks contribute to economic growth through credit creation, savings mobilization, payment services, trade financing, and other financial activities that support industrial development (Okhankhuele & Aderemi, 2024; Omar, 2024), challenges such as inadequate disclosure practices, weak accountability structures, external influence, and limited stakeholder participation have affected public confidence in some institutions (World Bank Group, 2025). Transparency remains a fundamental requirement for a stable and efficient banking system because it promotes accountability, strengthens investor confidence, and reduces uncertainty in financial decision-making.

International regulatory bodies, including the International Accounting Standards Board (IASB) and the Basel Committee on Banking Supervision, have consistently emphasized the importance of comprehensive disclosure relating to financial performance, corporate governance, risk management, and sustainability practices (Basel Committee, 2021). Therefore, insufficient transparency and accountability among deposit money banks may conceal underlying risks, weaken regulatory oversight, and contribute to financial instability, creating challenges for investors, regulators, and other stakeholders.

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Repositioning Nigerian deposit money banks through enhanced accountability requires a strategic transformation anchored on stronger corporate governance structures, improved transparency practices, effective risk management systems, and strict adherence to regulatory requirements. This transformation is particularly relevant within the context of the Central Bank of Nigeria's ongoing recapitalization reforms, which seek to strengthen the resilience, stability, and competitiveness of the banking sector. Beyond achieving minimum regulatory compliance, repositioning requires developing an institutional culture that promotes openness, ethical responsibility, and stakeholder confidence, thereby supporting long-term sustainability. Achieving this transformation involves implementing effective accountability frameworks for bank executives, integrating Environmental, Social, and Governance (ESG) principles into corporate strategies, adopting customer-focused performance measures, and improving internal control mechanisms.

This study develops a Disclosure and Financial Transparency Index (DFTI) to evaluate the transparency practices of major Nigerian deposit money banks using their 2024 annual reports. Findings indicate that the Nigerian banking sector exhibits moderate to high levels of disclosure, with Tier-1 banks demonstrating stronger transparency practices that align more closely with international reporting expectations. However, smaller banks continue to face challenges in areas such as ESG reporting, risk disclosure, and executive remuneration transparency.

Existing evidence suggests that improved transparency enhances stakeholder confidence, strengthens access to financial resources, and improves operational effectiveness. Conversely, inadequate disclosure practices may weaken trust, increase information asymmetry, and expose financial institutions to greater risks (Hassan & Marston, 2010). Therefore, this study develops a Bank Transparency Disclosure Index for Nigerian deposit money banks to assess disclosure performance across five key dimensions: financial reporting, corporate governance, risk and capital disclosure, sustainability/ESG reporting, and investor communication.

Despite the existence of regulatory guidelines and increasing stakeholder expectations for improved accountability, disclosure practices among some Nigerian deposit money banks remain inconsistent. Although most banks comply with International Financial Reporting Standards (IFRS) and Central Bank of Nigeria (CBN) reporting requirements, significant gaps persist in areas such as corporate governance disclosures, risk reporting, and Environmental, Social, and Governance (ESG) information. Unlike development finance institutions, deposit money banks in Nigeria do not currently operate under a uniform transparency measurement framework, making it difficult to conduct objective evaluations of disclosure quality and identify institutional weaknesses.

Limited disclosure of critical information relating to board activities, audit outcomes, and regulatory compliance further weakens accountability mechanisms within the banking sector (Haladu et al., 2024). Inadequate accountability structures may encourage excessive risk-taking behaviours that threaten financial system stability and create broader economic consequences. Several factors contribute to accountability challenges among Nigerian deposit money banks, including weak governance systems, limited transparency practices, regulatory non-compliance, and cases of financial misconduct.

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Although the Central Bank of Nigeria has established regulatory frameworks to guide banking operations, ineffective enforcement and insufficient monitoring may create opportunities for institutions to exploit regulatory gaps. Furthermore, both internal and external audit processes may face limitations in detecting financial reporting irregularities due to weaknesses in technical capacity, risk evaluation procedures, and control mechanisms. These shortcomings in transparency and accountability have contributed to declining public confidence, reduced institutional effectiveness, and instances of poor resource management within the banking sector (Gumel & Bardai, 2021).

Evidence from previous financial crises also highlights that inadequate disclosure practices can increase uncertainty and contribute to financial instability (Longo, 2025). To address this gap, the present study develops a comprehensive Bank Transparency Disclosure Index (BTDI) to measure transparency levels among Nigerian deposit money banks. The index provides a structured framework for evaluating disclosure practices and supports the repositioning of deposit money banks through improved accountability, transparency, and governance mechanisms.

### 1.1. Objectives of the Study

Generally, the study assesses the level of transparency among Nigerian deposit money banks in 2024 using a structured Bank Transparency Disclosure Index. Specifically, the study:

1. Examine the variation in transparency levels between Tier 1 and Tier 2 banks across five disclosure dimensions.
2. Evaluate the differences in transparency and accountability disclosures between tier-1 banks and tier-2 Nigerian deposit money banks.
3. Assess the difference in financial disclosure between Tier 1 and Tier 2 Nigerian deposit money banks.

### 1.2. Research Questions

The following research questions were formulated to provide direction for study.

1. What is the extent of variation in transparency levels between tier-1 and tier-2 banks across five disclosure dimensions?
2. What is the difference in transparency and accountability disclosure between Tier 1 and Tier 2 Nigerian deposit money banks?
3. What is the relative difference in financial disclosure between Tier 1 and Tier 2 Nigerian deposit money banks?

### 1.3. Research Hypotheses

The following three null hypotheses were subjected to statistical testing in the course of this study.

$H0_1$ There is no significant difference in disclosure across the five dimensions of transparency disclosure among Nigerian deposit money banks.

$H0_2$: There is no significant difference in the transparency and accountability disclosures between tier-1 and tier-2 Nigerian deposit money banks.

$H0_3$: There is no significant difference in financial disclosure between Tier-1 and Tier-2 Nigerian deposit money banks.

## 2.0. Concepts, Theories and Empirical Review

### 2.1. Conceptual Review

### Transparency, Public Accountability, and Repositioning

In the banking sector, transparency means the openness, accuracy, and timeliness of information disclosed to stakeholders, including shareholders, regulators, customers, and the general public. Low transparency can heighten information asymmetry between banks and stakeholders. It erodes investor confidence, thereby affecting banks' ability to attract capital. Weak accountability and transparency practices can undermine effective risk management, particularly in areas such as credit assessment, liquidity management, and sustainability-related risks. Repositioning Nigerian deposit money banks, therefore, requires the development of stronger risk management frameworks capable of supporting productive lending activities in critical sectors, including agriculture, manufacturing, and small and medium-sized enterprises (SMEs).

This transformation also involves expanding financial inclusion, diversifying banking products and services to address evolving customer demands, and improving corporate governance structures through enhanced transparency and accountability mechanisms (Lenka & Sharma, 2017). A banking sector built on accountability and transparency contributes to greater financial stability, operational efficiency, and public confidence. Improved disclosure practices strengthen trust among stakeholders and enhance the role of banks as effective financial intermediaries that support economic development.

In Nigeria, deposit money banks operate within a regulated framework overseen by the Central Bank of Nigeria (CBN) and guided by the listing requirements of the Nigerian Exchange Limited (NGX). Although compliance with financial reporting standards is compulsory, disclosure practices relating to corporate governance, risk management systems, and sustainability initiatives vary considerably among banks. Maintaining financial stability requires continuous regulatory interventions by the CBN and other relevant authorities to manage vulnerabilities and reduce excessive fluctuations in key economic indicators (Sanusi, 2011). Effective supervision, strong governance, and transparent reporting are therefore essential for sustaining confidence in the banking system.

Public accountability within the Nigerian banking sector requires banks to provide timely, accurate, and accessible information regarding their financial activities and operational decisions to stakeholders and regulatory institutions such as the CBN. This ensures responsible management of depositors' funds, compliance with established regulations, and adherence to ethical standards in banking operations. Public accountability is a critical issue for deposit money banks, given their mandate and operating practices. It faces severe challenges, including endemic corruption, weak internal controls, and insufficient regulatory enforcement, which erode public trust and lead to financial mismanagement. Weak accountability undermines their ability to achieve inclusive and sustainable development (Leung & Ng, 2018).

Deposit money banks, in compliance with regulatory requirements, are mandated to publish audited annual reports, unaudited quarterly reports, and other relevant information to demonstrate accountability, responsiveness, and good corporate governance. In their audited financial statements, banks are required to classify and analyze their credit portfolios into performing and non-performing categories in accordance with the CBN Prudential Guidelines for Financial Institutions in Nigeria. Furthermore, all financial institutions are expected, as part of their risk management framework, to maintain processes for calculating financial ratios to evaluate their financial strength (CBN, 2019). This enables users of financial statements to obtain relevant insights for analysis and decision-making (Beredugo, 2023).

**Nigerian Deposit Money Bank**

Deposit money banks in Nigeria are financial institutions licensed by the Central Bank of Nigeria (CBN) to provide retail and corporate banking services. Major players include Access Bank Plc, Zenith Bank Plc, First Bank of Nigeria, Guaranty Trust Bank, United Bank of Africa, Ecobank Nigeria, Fidelity Bank Plc, FCMB, Union Bank of Nigeria, Stanbic IBTC Bank, Polaris Bank, Wema Bank, Sterling Bank, and Unity Bank.

Deposit money banks play a significant role in promoting economic growth through the mobilization of savings, efficient allocation of financial resources, and increased access to financial services. The strength and stability of these institutions are closely connected to the overall performance of the economy. Their primary functions include accepting deposits from the public and providing credit facilities to individuals, businesses, and government entities with the objective of generating returns. As financial intermediaries, deposit money banks transform surplus funds into productive investments by directing savings toward sectors that support economic development (Gil-Jardon et al., 2024).

Beyond their traditional banking functions, deposit money banks contribute to economic transformation by supporting entrepreneurship, encouraging innovation, expanding business activities, and creating employment opportunities. Through improved access to finance and financial services, they enhance financial inclusion and stimulate broader economic activities (Omar, 2024). This study examines selected Nigerian deposit money banks listed on the Nigerian Exchange (NGX) for the 2024 financial year. It assesses the extent of transparency and accountability practices across five key dimensions: financial reporting, corporate governance, risk and capital disclosure, sustainability/ Environmental, Social, and Governance (ESG) reporting, and investor communication.

**Accountability and Transparency Issues of Deposit Money Banks**

The issue of transparency and accountability in financial institutions cannot be readily glossed over (Faboyede, 2021). Transparency is the moral virtue that emphasizes sincerity, truthfulness, and openness. Accountability in banks can be explained through agency theory, which posits that managers (agents) are expected to act in the best interests of shareholders and other stakeholders (principals) by managing resources responsibly and delivering satisfactory performance. Deposit money banks are held accountable through mandatory, audited public accountability statements and regulatory oversight of sales practices and anti-money laundering controls.

They are accountable to various stakeholders, including government executives, legislative bodies, judicial authorities, regulatory agencies, and the general public (Kirakul, Yong & Zamil, 2021). They

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are expected to ensure good service, maintain financial stability, and report on their economic, social, and environmental impact. Banking regulations often prioritize quasi-fiscal objectives over prudential norms. Laws may mandate lending to priority sectors or community reinvestment, potentially compromising credit quality. Liquidity ratio regulations can require banks to invest in low-yield government securities or other eligible assets. Politically driven sectoral lending priorities can lead to price distortions, hinder market development, and increase banking instability, despite achieving social objectives.

**Disclosure Regulation for Transparency**

Regulatory policy initiatives, such as IFRS, IAS, and Basel agreements, emphasize the role of market discipline in maintaining banking and financial stability and promote transparency to support stability. Regulatory oversight serves as an important mechanism for improving transparency in the banking sector by ensuring that financial institutions comply with disclosure requirements and maintain credible reporting practices. However, because banks operate through complex financial intermediation activities involving deposits, lending, investments, and risk management, their operations are often difficult for external stakeholders to fully understand. This complexity may create information gaps between banks and users of financial information, thereby affecting confidence and financial market stability (Longo, 2025).

The nature of banking operations provides institutions with some flexibility in determining the volume and timing of information released to the public. Decisions relating to financial reporting practices, risk disclosures, and the presentation of financial performance may influence how stakeholders perceive the actual condition of a bank. Therefore, effective disclosure systems are necessary to ensure that investors, regulators, customers, and other stakeholders have access to accurate and relevant information for decision-making (Longo, 2025). Disclosure practices in banking are designed to improve openness, strengthen accountability, and reduce information asymmetry among stakeholders (Beredugo, 2015). Higher levels of transparency enhance confidence in financial institutions, support effective supervision, and contribute to a more stable and sustainable banking system.

## 2.2. Theoretical Framework

### Principal-Agent Theory

This study is anchored on the principal-agent theory, which originated from the work of Stephen Ross in the 1970s and was further advanced by Jensen and Meckling (1976). The theory explains the relationship that exists when one party (the principal) delegates responsibilities, authority, or decision-making powers to another party (the agent) to act on their behalf. However, differences in interests, objectives, and access to information may create conflicts between both parties, resulting in agency problems. Within the banking sector, managers (agents) may possess more information about institutional operations than owners, regulators, and other stakeholders (principals).

This information disparity can create opportunities for decisions that may not fully align with stakeholders' interests, including excessive risk-taking, weak resource management, or limited disclosure practices. Transparency and accountability mechanisms, therefore, become essential tools for reducing agency conflicts by improving monitoring, encouraging responsible decision-making, and ensuring that managers' actions remain consistent with organizational objectives (Jensen & Meckling, 1976). Through effective oversight, reporting requirements, and performance evaluation, stakeholders can assess managerial actions and promote responsible banking practices (Leung & Ng, 2018). Thus, the theory provides a foundation for understanding how transparency and accountability can support the effective and sustainable operation of Nigerian deposit money banks.

### Accountability and Transparency Theory

Accountability theory emphasizes that individuals and organizations are more likely to act responsibly when they are expected to justify their decisions to relevant stakeholders. According to Vance, Lowry, and Eggett (2015), the expectation of evaluation encourages decision-makers to consider the consequences of their actions and accept responsibility for their choices. The theory, associated with the works of Tetlock and Lerner, presents accountability from two perspectives: accountability as a value and accountability as a control mechanism (Vance, Lowry & Eggett, 2013). As a value, accountability reflects the willingness of individuals and institutions to accept responsibility for their actions and decisions. As a mechanism, it represents a structured process where decision-makers are required to provide explanations, undergo evaluation, and face possible consequences based on their performance.

Transparency complements accountability by promoting openness, information accessibility, and stakeholder oversight. The relevance of accountability and transparency theory to this study lies in its ability to explain how improved disclosure practices can strengthen governance within deposit money banks. Transparent reporting provides stakeholders with reliable information to assess financial performance and risk exposure, while accountability ensures that bank management remains responsible for its decisions. Together, these principles support effective financial reporting, reduce opportunities for misconduct, improve investor confidence, and contribute to financial sector stability and economic growth.

### Stakeholder Theory

Stakeholder theory, developed by R. Edward Freeman in 1980, argues that organizations should consider the interests of all groups affected by their activities, including shareholders, employees, customers, suppliers, regulators, and communities (Freeman et al., 2010). The theory extends the traditional view of corporate responsibility beyond profit maximization, emphasizing the need to create value for a broader range of stakeholders. The theory highlights the importance of balancing different stakeholder expectations to achieve long-term organizational sustainability (Viadislav, 2025). In modern corporate governance, effective decision-making requires consideration of social, environmental, and economic responsibilities. Consequently, transparency, accountability, and sustainability reporting have become essential elements of responsible corporate management (Nezha & Taoufiq, 2024).

The application of stakeholder theory in this study is based on the view that transparency and accountability are necessary to maintain stakeholder trust and confidence in banking institutions. By providing accurate disclosures and demonstrating responsible governance practices, deposit money banks can strengthen relationships with investors, customers, regulators, and the wider society. Effective stakeholder management enhances informed decision-making, improves risk management

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practices, and supports sustainable financial development. Therefore, stakeholder theory reinforces the importance of transparency and accountability in repositioning Nigerian deposit money banks as institutions that contribute positively to economic growth.

### 2.3. Empirical Review

Beredugo (2026) investigated the repositioning of Development Finance Institutions (DFIs) in Nigeria by emphasizing the role of improved accountability and transparency frameworks. The study adopted a historical-descriptive research design to examine existing practices and mechanisms that support institutional effectiveness. Beredugo conducted a content analysis of the 2024 Annual Reports from the Bank of Industry (BOI), Development Bank of Nigeria (DBN), Bank of Agriculture (BOA), and Infrastructure Bank (IB), using a checklist based on the DFI Transparency Index. Their analysis, using a t-test, revealed a significant difference between the public accountability and transparency indexes of the selected DFIs and the Published What You Fund (PWYF) benchmark scores. The study focused on development banks, whereas the present study focuses on deposit money banks.

Faboyede (2021) focused on ensuring accountability in Nigerian banks' financial statements. The study used secondary data analysis, employing the Beneish model's irrational ratios approach to analyze the financial statements of Nigerian banks over an eight-year period. The findings revealed an inherent risk of financial statement fraud in the Nigerian banking sector. The study recommended that prevention, detection, and correction are the most effective ways to address financial statement challenges. The present study ensures accountability by assessing bank transparency disclosures across tier-1 and tier-2 banks.

Ojong et al. (2014) explored banking reforms in Nigeria, emphasizing the significance of regulatory interventions in achieving a stable and sustainable banking system. The study sought to evaluate the Nigerian banking sector by examining its strategic contribution to national economic development. An ex-post facto research design was adopted, with data obtained from secondary sources and analyzed using the ordinary least squares (OLS) technique. The findings revealed that effective banking reforms are essential regulatory measures for strengthening the sustainability and performance of the Nigerian banking sector. However, while the study focused primarily on banking reforms and regulatory measures, the current study extends the discussion by examining accountability and transparency practices within deposit money banks as mechanisms for improving governance and promoting economic growth.

## 3.0. METHODOLOGY

### 3.1. Research Design

This study adopts a quantitative content analysis approach to examine the extent to which Nigerian deposit money banks disclose information relating to transparency and accountability in their corporate reports. The method allows for a systematic identification, classification, and evaluation of disclosure practices using measurable indicators. Content analysis allows comparisons across different banking institutions based on the quality and level of information provided. The method is suitable for constructing disclosure indices such as the Corporate Banking Transparency and Accountability Index (CBTAI).

### 3.2. Population, Sample, and Sampling Technique

The population of this comprises all licensed deposit money banks operating under the regulatory supervision of the CBN as of the 2024 financial year. A purposive sampling technique was used to select banks with publicly available audited annual reports for the 2024 financial year. The sample consists of Tier-1 banks: Zenith Bank, Access Bank, Stanbic IBTC Bank, Ecobank Nigeria, Fidelity Bank, United Bank for Africa, Sterling Bank, Wema Bank, Union Bank of Nigeria, and FCMB; and Tier-2 banks: Polaris Bank, Keystone Bank, Titan Trust Bank, Unity Bank, Premium Trust Bank, Providus Bank, Jaiz Bank, Globus Bank, Sun Trust Bank, and Parallex Bank. A total of 20 banks were included in the sample.

### 3.3. Sources of Data

The study relies exclusively on secondary sources, including published annual reports of selected banks, corporate governance reports, sustainability and ESG reports, risk management disclosures, and notes to financial statements. The reports were obtained from official bank websites and investor relations portals.

#### 3.3.1. Variables of the study

The study measures banking transparency using a composite disclosure index constructed from five dimensions: 1. Financial Disclosure—comprises the quality of financial statements, notes and audit reporting, segment reporting, and accounting policies. 2. Governance Transparency—comprises board structure disclosure, committee reports, and executive remuneration disclosure. 3. Risk Transparency—comprises credit risk reporting, liquidity risk disclosure, operational risk, and internal control systems. 4. Environmental, Social, and Governance (ESG) Disclosure—comprises sustainability policies, environmental reporting, and social responsibility disclosures. 5. Accountability Reporting—comprises ethics policies, whistle-blowing mechanisms, compliance, and regulatory reporting.

#### 3.3.2. Rating

The rating for assessing sustainability reporting using the GRI-G4 (Fourth generation of Global Reporting Initiatives Index) standards in this study is as follows: 0 for Index not included in the report at all; 1 for Index included in the segment report but in general terms; 2 for Index included in the segment report but in specific terms. Weighting Scheme and Construction of the CBTAI Index. The weighting framework applied in this study reflects the relative contribution of each disclosure category to overall banking transparency and accountability.

The assigned weights are as follows: Financial Disclosure (30%), Corporate Governance (20%), Risk Management (20%), Environmental, Social, and Governance (ESG) Disclosure (15%), and Accountability Disclosure (15%). The allocation gives greater emphasis to financial reporting due to its fundamental role in communicating a bank’s financial position and performance while also recognizing the importance of governance, risk management, sustainability, and accountability-related information in assessing modern banking practices.

### 3.4. Construction of the CBTAI Index

The Corporate Banking Transparency and Accountability Index (CBTAI) was developed by evaluating each bank’s disclosure performance across the identified dimensions. The score obtained for each disclosure category was adjusted using its assigned weight, and the weighted values were aggregated to determine the overall CBTAI score. The index is expressed as:

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CBTAI = Financial Disclosure + Corporate Governance + Risk Management + ESG Disclosure + Accountability Disclosure. The resulting index ranges from 0 to 100, with higher values indicating stronger transparency and accountability practices among deposit money banks.

### 3.5. Analytical Technique

The study applies descriptive statistics, including the mean and standard deviation, to summarize the disclosure performance of the selected banks. Comparative analysis is also conducted between Tier-1 and Tier-2 banks to examine differences in transparency and accountability levels. The comparison of mean scores provides insight into variations in disclosure practices and helps determine the extent of differences between bank categories.

### 3.6. Validity and Reliability of the Instrument

The validity of the disclosure instrument was ensured by developing a checklist based on recognized reporting frameworks, including corporate governance reporting requirements, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), banking disclosure guidelines, and prior studies on transparency measurement. These sources provided a comprehensive basis for identifying relevant indicators of transparency and accountability. Reliability was achieved by applying the same disclosure criteria consistently across all selected banks. Each indicator was evaluated using uniform scoring procedures to reduce researcher bias and improve measurement consistency. Multiple reviews of the scoring process were conducted to enhance the accuracy and dependability of the CBTAI results.

## 4.0. PRESENTATION OF RESULTS AND DISCUSSION

### 4.1. Presentation of Results

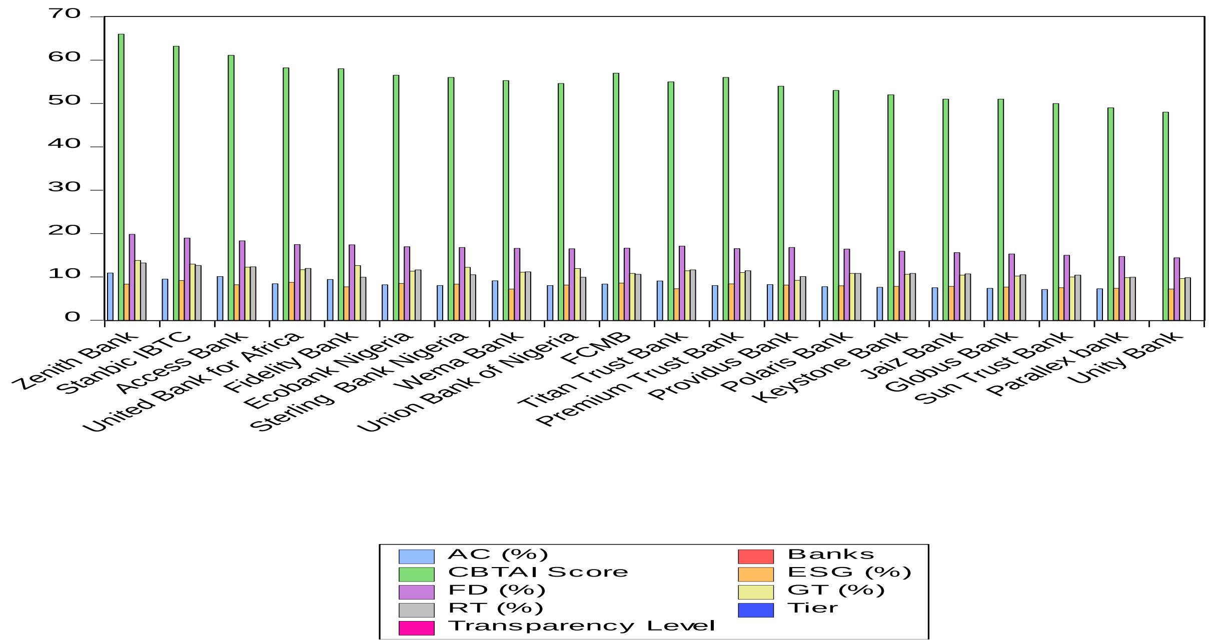


**Figure 1: Bar chart comparing Tier-1 and Tier-2 Nigerian banks' CBTAI scores across the twenty banks (highest to lowest).**

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Figure 1 presents a comparative bar chart illustrating the CBTAI scores of Tier-1 and Tier-2 Nigerian deposit money banks, ranked from highest to lowest among the 20 banks assessed. The results show that Tier-1 banks generally occupy higher positions on the index, indicating stronger disclosure practices, more developed corporate governance structures, and more comprehensive risk management reporting than Tier-2 banks. The difference in performance suggests that larger banks tend to demonstrate greater capacity and commitment toward transparency and accountability practices.

**Table 1: Tier Comparison Statistics, including, Paired Sample Statistics**

| Paired Variables | Mean | Standard Deviation | Remark |
|---|---|---|---|
| $CBTAI_{Tier1\ Banks}$ | 57.77 | 2.7906 | Higher Mean Score |
| $CBTAI_{Tier2\ Banks}$ | 51.58 | 2.506 | Lower Mean Score |
| $ACI_{Tier1\ Banks}$ | 8.777 | 0.751 | Higher Mean Score |
| $ACI_{Tier2\ Banks}$ | 7.53 | 0.403 | Lower Mean Score |
| $FDI_{Tier1\ Banks}$ | 17.28 | 0.8579 | Higher Mean Score |
| $FDI_{Tier2\ Banks}$ | 15.62 | 0.8423 | Lower Mean Score |

Source: Authors' Analysis (2026).

Table 1 shows tier-1 Nigerian banks have a transparency advantage, with a 6.187-point. The average CBTAI score for tier-1 banks (57.77) exceeds that of tier-2 banks (51.58) by 6.187 points. This indicates stronger disclosure maturity among larger institutions. Tier-1 banks also display greater variability in mean scores, suggesting diverse transparency leadership, while tier-2 banks show more consistent, moderate disclosure. Key findings show that the average Accountability Index (ACI) Disclosure score for tier-1 banks (8.777) surpasses that of tier-2 banks (7.53) by 1.247 points, representing higher disclosure reliability among larger banks.

Tier-1 banks also show greater dispersion in mean scores than tier-2 banks, indicating greater variability in Accountability Index Disclosure control within the group, while tier-2 banks exhibit more clustered performance around moderate Accountability Index Disclosure levels. The findings also reveal that the average Financial Disclosure Index (FDI) score for tier-1 banks (17.28) exceeds that of tier-2 banks (15.62) by 1.66 points, indicating better disclosure maturity among larger institutions. Tier-1 banks show greater variability in scores, while tier-2 banks exhibit more clustered performance. The significance of these differences is assessed using the T-test in Table 2.

**Table 2: T-Test of Significance**

| Paired Variables | Mean Difference | SD | T-test | Sig | Remark |
|---|---|---|---|---|---|
| $CBTAI_{Tier1Bank}$ - $CBTAI_{Tier2\ Banks}$ | 6.2111 | 1.3921 | 14.193 | 0.000 | 0.000 |
| $ACI_{Tier1\ Banks}$ _ $ACI_{Tier\ 2\ Banks}$ | 1.25000 | 0.42938 | 6.633 | 0.000 | 0.000 |
| $FDI_{Tier1\ Banks\text{-}}$ _ $FDI_{Tier1\ Banks}$ | 1.66333 | 0.56538 | 11.621 | 0.000 | 0.000 |

Source: Authors' Analysis (2026).

A t-test of significance was conducted in Table 2 to assess the significance of the mean difference observed in Table 2 in relation to the CBTAI $_{Tier1\ Bank}$ - CBTAI $_{Tier2}$ Banks, ACI $_{Tier1}$ Banks, ACI $_{Tier2\ Banks}$, and FDI $_{Tier1\ Banks}$ - FDI $_{Tier1\ Banks}$ variability. The hypothesis test was conducted to determine whether significant differences exist in disclosure practices across the five dimensions of transparency disclosure among Nigerian deposit money banks. The findings reveal that the corporate bank

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transparency and accountability gap between Tier-1 and Tier-2 banks is statistically significant. The t-test result produced a test statistic of 14.193 with a significance value of 0.000. Since the p-value (0.000) is below the 0.05 significance level, the null hypothesis was rejected. This indicates that a significant difference exists in the overall disclosure practices of Tier-1 and Tier-2 banks in Nigeria, as measured by the Corporate Bank Transparency and Accountability Index (CBTAI). Therefore, the result confirms that bank category influences the level of transparency and accountability disclosures across the five assessed dimensions.

The second hypothesis examined whether a significant difference exists in transparency and accountability disclosures between Tier-1 and Tier-2 Nigerian banks. The results indicate a statistically significant difference in the Accountability Disclosure Index (ADI) between the two bank categories. The t-statistic was 6.633, with a p-value of 0.000. Since the p-value is lower than the 0.05 significance threshold, the null hypothesis was rejected. This implies that Tier-1 and Tier-2 banks differ significantly in their accountability disclosure practices during the period under review.

The third hypothesis was tested to determine whether a significant difference exists in the Financial Disclosure Index (FDI) between Tier-1 and Tier-2 deposit money banks in Nigeria. The findings show a t-statistic of 11.621 and a p-value of 0.000. Given that the p-value is less than the 0.05 level of significance, the null hypothesis was rejected. The result confirms a significant difference in financial disclosure practices between Tier-1 and Tier-2 banks in Nigeria. This suggests that Tier-1 banks demonstrate higher levels of financial disclosure than Tier-2 banks during the period examined.

### 4.2. Discussion of Findings

This section provides the statistical findings from the analysis of the Corporate Banking Transparency and Accountability Index (CBTAI) 2024 for selected Nigerian deposit money banks (tier-1 and tier-2). The statistical comparison shows that tier-1 banks outperform tier-2 banks across all disclosure pillars. Hypothesis one is supported by this finding. The significant mean difference indicates a meaningful transparency gap, with tier-1 banks leading in financial disclosure, governance, and risk management practices. Tier-2 banks exhibit moderately clustered scores, indicating uniform but lower adoption of accountability and ESG standards. These banks publish disclosures, but with less depth in ESG reporting, board transparency, risk dashboards, and stakeholder accountability.

This pattern underscores the need for targeted regulatory oversight, capacity-building initiatives, and the adoption of international best practices among smaller banks. Strengthening transparency across the sector can enhance investor confidence, reduce information asymmetry, and promote financial system stability. Specifically, statistically significant gaps in the Financial Disclosure Index and the Accountability Index, as tested in hypotheses two and three, support these conclusions. Tier-2 banks publish disclosures, but with less depth in stakeholder accountability. The interpretation links the observed disclosure patterns to corporate governance theory, stakeholder theory, and prior empirical studies on banking transparency and accountability.

Tier-1 banks invest significantly in ESG reporting and sustainability disclosures. Their transparency in environmental and social risk management improves their accountability ratings and overall CBTAI performance. This finding supports stakeholder theory, which suggests that firms with broader stakeholder exposure disclose more information to reduce information asymmetry and maintain legitimacy.

### 4.3. Policy Implications of Findings for Economic Growth in Nigeria

The 2024 Corporate Banking Transparency and Accountability Index (CBTAI) results highlight the link between institutional disclosure practices and Nigeria's economic growth. Tier-1 banks' superior performance suggests that stronger governance and accountability mechanisms enhance stability and investor confidence. Higher transparency reduces information asymmetry, lowers risk, and boosts capital inflows, stimulating investment and growth. Conversely, low transparency scores indicate disclosure gaps, undermining confidence and limiting financial intermediation. Strengthening transparency regulations can promote sustainable growth.

## 5.0. CONCLUSION AND RECOMMENDATIONS

The study concludes that strengthening governance, ESG, and accountability reporting practices in deposit money banks can advance financial market development and boost the banking sector's contribution to economic growth. To achieve this, regulatory authorities like the CBN should consider implementing measures to enhance transparency and accountability.

Hence, the study recommends the following:

1. Regulatory authorities should mandate standardized ESG disclosure frameworks to improve transparency and accountability.

2. Regulatory authority should enhance governance reporting requirements to ensure consistency in disclosure practices across tier-1 and tier-2 banks.

3. Regulatory authorities should introduce transparency benchmarking systems.

4. Regulatory authorities should align transparency compliance with supervisory ratings to encourage responsible banking practices, strengthen accountability, and support economic growth.

### Conflict of Interest

The authors declare that no conflict of interest exist in this manuscript.

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