

Assessing the Quality of Corporate Disclosure in Relation to Sustainability Reporting in Nigerian Banks

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ABSTRACT

This study examined the effect of sustainability reporting on quality of corporate disclosure in the Nigerian Banking Sector: a study of Wema Bank and Access Bank Ijebu-Ode Branch. The objective of the study is to examine the impact of sustainability reporting on the quality of corporate disclosure in the Nigerian banking sector; to examine the extent to which sustainability reporting has improved corporate disclosure qualities in terms of transparency, materiality, objectivity, understandability and comparability in the Nigerian banking sector. The study was conducted among 203 respondents but 164 responded. Questionnaires were used to collect data from the respondents who were staff of Wema Bank and Access Bank Ijebu-Ode Branch. SPSS version 29 was also used to calculate the weighted mean score of the ordinal variable (Likert scale) to justify the response based on the weight of each respondent. Among the major findings of the work was that implementation of sustainability reporting has improved corporate disclosure in terms of materiality of items in the Nigerian Banking Sector. Information gathered from the findings reveals that corporate annual report has the capacity to disclose the economic value generated and distributed by the company. The research therefore recommended that regulatory authorities should put more measures in place to ensure continued compliance from the people saddled with the responsibility to prepare bank's financial statement.

Keywords: *Sustainability Reporting, Corporate Disclosure and Nigerian Banking Sector*

1. INTRODUCTION

The banking sector acts as an intermediary, channeling funds from surplus units to deficit units; thereby enabling the creation of value in the process. In addition, the 2008 financial crisis led to declined confidence in banking institutions (Weber and Blair, 2018). These brought about new possibilities for sustainability of the financial system: increased consciousness in adopting and reporting sustainability issues; compliance with sustainability-related regulations and disclosure of sustainability policy that incorporates all related sustainability considerations in banking operations (Islam et. al., 2018).

The recent trend towards higher accountability and transparency in financial reporting and communication is reflected in an organization's efforts towards more comprehensive disclosure of corporate performance, this integrates Corporate disclosure which was defined in the study of Mogudu (2018) as any deliberate release of financial (and non-financial) information, whether numerical or qualitative, required or voluntary, or via formal or informal channels. These corporate disclosures include the environmental, social and economic dimensions of an entity's activities; this trend is aimed to add value to the quality of financial disclosure for different firm's stakeholders.

According to Grüning (2017), corporate disclosure is intended to provide information on the operating activities, and the financial and business situation of a firm to an interested audience. Firms' disclosure is therefore not limited to financial information but also

addresses a great variety of non-financial information. It is undisputed that corporate disclosure increases the amount of information available to addressees. This information effect is only a means to an end and firms will hardly provide information out of philanthropic motives. In fact, it is purely economic reasoning that drives disclosure of corporate information.

In recent years, sustainability reporting has become an important issue in the development of the business world. The concept arises from people's expectations about the company's role in society. This need stems from many environmental and humanitarian tragedies around the world, including: Minamata (Japan), Bhopal (India), Chernobyl (Soviet Union), Shell (Nigeria). Similar incidents have occurred in Indonesia, such as hot mud floods caused by oil and gas company Lapindo Brantas Inc. (Novia & Halmawati, 2022).

Sustainability reporting has become relevant because of the response of the public for greater financial accountability, transparency and integrity of financial reporting processes of organizations in recent times. Sustainability report improves reporting on environmental, social and economic activities of companies and this will help improve reputation, continuous improvement and create value. Therefore, different countries of the world have incorporated sustainability reporting as part of their corporate governance and financial disclosure guidelines.

Statement of the Problem

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The crisis that engulfed the Nigerian banking sector in 2009 was as a result of non-compliance to corporate governance and inadequate disclosure of sustainable issues in the financial results, which later led to the collapse of some Nigerian banks. In addition, Nigeria has been ranked 136 out of 176 countries in terms of financial transparency and accountability of corporate disclosure and reporting by Transparency International (2015). This portrays that there is no sustainable reporting which may guarantee quality corporate disclosure in Nigerian banking sector particularly. However, despite the numerous empirical examinations in that regards – cutting across different countries and about ten years between 2008 and 2017 (Buallay, 2021), there is still evidence of lack of transparency and accountability in banking industry from the outcomes of most previous studies. This includes both those by foreign authors and their Nigerian counterparts. Amr et al. (2019) carried out a study in this regards but their study only focused on online sustainability disclosure in banking sector. They covered between 2013 and 2017 and as well used existing data to arrive at their conclusion.

Between 2015 and 2020, only about 40% of studies focused on the banking sector, and most of them showed conflicting results. In other sectors, the researcher can find a generalized positive relationship (Aboud and Diab 2018; Albuquerque, Koskinen, and Zhang 2019; Bodhanwala and Bodhanwala 2019; Do and Kim 2020; Peng and Isa 2020; Velte 2019; Yoon, Lee, and Byun 2018); in the banking sector, only a few studies (Buallay 2020;

Nizam et al. 2019) show the same tendency, while others found negative (Forgione, Laguir, and Staglianò 2020) or mixed relationships (Buallay and Al-Ajmi 2019; Shakil et al. 2019). However, most of these studies used secondary data which deprived the researchers from getting genuine information. Also, most of the studies were carried out before the ravage of corona virus which affected all sectors including banking sector.

Hence, this paper intends to fill the gap by examining whether sustainability reporting has any significant impact on the quality of corporate disclosure in the Nigerian banking industry.

For the purpose of this study, the following question is to be answered at the end of the study;

i. To what extent does sustainability reporting affect the quality of corporate disclosure in the Nigerian banking sector?

The study aims at testing the following tentative statements;

H0: Sustainability reporting has no impact on the quality of corporate disclosure in the Nigerian banking sector.

2. LITERATURE REVIEW

Conceptual Review

Sustainability Reporting

In recent years, sustainability reporting (Sustainability Reporting) has become an important issue in the development of the business world. The concept arises from people's expectations about the company's role in society. This need stems from many environmental and humanitarian tragedies around the world, including: Minamata

(Japan), Bhopal (India), Chernobyl (Soviet Union), Shell (Nigeria). Similar incidents have occurred in Indonesia, such as hot mud floods caused by oil and gas company Lapindo Brantas Inc. (Novia & Halmawati, 2022).

Sustainability Reporting was first introduced in 1997 by the Global Reporting Initiative (GRI). GRI has also published standards that will be used as guidelines for developing sustainability reports. According to GRI (2016), sustainability reporting is the application of notification to internal and external stakeholders regarding the economic, environmental and social effects, contributing company information for sustainable development goals (DK Sari & Wahidahwati, 2021). Both determine the financial performance, non-financial and corporate responsibility in the categories of economic (profit), social (people) and environmental (planet) (DK Sari & Wahidahwati, 2021).

Sustainability Reporting in Nigeria

Sustainability reporting emerged in an attempt to respond to the demands for interdisciplinary reporting. Nigeria is not an exception to the introduction of sustainability reporting in the business community with particular reference to quoted companies. However, sustainability reporting is not a listing requirement in Nigeria and is largely based on voluntary initiatives of firm managers and sustainability reporting is important within the Nigerian context due to environmental management issues such as the incidences of oil spills, environmental dilapidation and increased level of greenhouse gas emissions (Moses et al., 2019). Most of the firms caught up in the social and environmental

reporting system are within the manufacturing sectors (Mohammed, 2019). This is with the exception of countries like South Africa where sustainability reporting is included in annual reports.

A survey conducted by KPMG Nigeria in 2011 shows that out of 100 top companies in Nigeria, 68% practice Sustainability Reporting. According to KPMG (2013), the highest growth rates of corporate responsibility reporting since 2011 were seen in India, Chile, Singapore, Australia, Taiwan, Romania, China (incl. Hong Kong) and Nigeria. Year 2013 saw an increase in the reporting rate in Nigeria to 82 percent from the earlier reported 68 percent. These statistics have since been updated as the KPMG survey of sustainability reporting of 2017 classified Nigerian top rated companies as among the countries with sustainability reporting rate higher than the global average with 85% in 2015 and 88% in 2016 (KPMG, 2017). However, Nigeria is still being classified in the corporate sustainability reporting quadrant tagged starting behind apparently owing to not having a mandatory environmental or social reporting requirement for public companies, and there are no significant initiatives which encourage such disclosure. It is worthy of note that the KPMG evaluation and reports are largely based on Corporate Responsibility Reporting and less on the new popularized GRI. The Companies and Allied Matters Act does not make any mention of environmental or social reports requirements among the financial statements required to be published by public companies. The KPMG sustainability report (2013) shows that less than

50% of Nigerian companies refer to the GRI Guidelines in their corporate reporting.

Nigerian Banking Sector

Sustainability accounting/reporting also known as environmental and social accounting is considered a sub-category of a financial accounting that focuses on the disclosure of non-financial aspect of firm's performance to external stakeholders (Tilt, 2015). Sustainability reporting covers the activities of a firm that have direct impact not only on the economic performance, but also on the business environment and the society at large. Oluwagbuyi and Adaramola (2015) opine that sustainability accounting in contrast to financial accounting is used for both internal and external decision making and creation of new policies that affect organizations performance of environmental, ecological and social system. Sustainability reporting is also known as 'triple bottom line or triple P's- Planet, Profit and People'.

The Central Bank of Nigeria in July 2012 mandated all banks in Nigeria to incorporate sustainability reporting as part of their annual report. Banks were directed to issue initial sustainable banking report no later than 31st December, 2013 while full sustainable banking report were required from each banks no later than 31st December, 2014 (CBN, 2012). The aim of this reporting is to positively impact the society while protecting the communities, and environment in which financial institutions operate.

Corporate Disclosure

Corporate disclosure can be defined as the communication of information by people inside the public firms towards people outside (Arping and Sautner, 2017) Note that one of the difficulties one meets is that the main aim of corporate disclosure is "to communicate firm performance and governance to outside investors". This communication is not only called for by shareholders and investors to analyze the relevance of their investments, but also by the other stakeholders, particularly for information about corporate social and environmental policies.

As compared to hard copy reports, many factors endorsed the internet in disclosing online sustainability items (Rowbottom and Lymer, 2009; Amran 2012; Amran et al., 2015; Mura et al., 2019). Among those factors is the ability to reach to different widespread users dispersed in different area to communicate with them effectively. In addition, disclosing online information of a firm is cheaper than hard copy reports. Moreover, online reporting can provide the on time communication and the immediate linkage between companies and their stakeholders. Further, the content of information disclosed online is voluntary which make the companies more flexible when disclosing information in their websites. In addition, the unique characteristics of Internet such as the ability of downloading files, the possibility of interactive communication and uploading audio and video files enable the users to be more in touch with the companies. Consequently, the disclosure of sustainability items has increased as a voluntary method via the web site which led to what is called

sustainability online reporting (Rahim and Omar, 2017).

Importance of Corporate Disclosure

Accounting operates in a socio economic environment as a 'service function'. When there is a drastic change in the political or economic system of the country, it is bound to change the objectives of accounting and corporate disclosure. In developing countries, the movement toward a market oriented economy has necessitated a revision of financial reporting system. The emergence of joint stock companies together with the divorce of management and ownership has led to the increasing significance of corporate disclosure. The wider recognition of social responsibility of business for the last few decades has important implications for corporate disclosure practices. This has emphasised the efficient allocation of society's resources and wealth. The concept of social responsibility has now become broader and includes employment generation, pollution control; civic amenities etc. groups other than shareholders such as employees, local communities, social groups and the general public have interest in the accounting information. They are having vital influences on accounting and reporting.

Quality of Corporate Disclosure

Central Bank of Nigeria issued a guideline on the process of sustainable banking report that would guide financial institutions in their internal and external operations. It is expected that this directive will lead to high quality of corporate disclosure in the banking industry in terms of transparency, materiality, objectivity,

understandability and comparability of corporate disclosure in the Nigerian banking sector.

Theoretical Review

2.2.1 Stakeholders Theory

This study adopts stakeholders' theory developed by Freeman (2009) which argued that management of an organization must involve all relevant stakeholders in their decision making process. Consistent with this theory, Clarkson (2005) affirm that an organization is a system where there are stakeholders and the primary responsibility of that organization is to create wealth for its stakeholders. It is upon this premise, that sustainability reporting is required by all firms so that the interest of all relevant stakeholders would be taken into consideration.

The widely used stakeholder concept views a stakeholder as any group or individual who can affect or be affected by the achievement of the organisation's objectives (Kiyanga, 2014).

Deegan and Blomquist (2006) clarify that according to stakeholder theory, reporting on specific types of information can be used to attract or maintain particular groups of stakeholders. In conjunction, firms face different challenges in meeting the expectations of various stakeholders. More attention is paid to investors (Verbeeten, Gamerschlag, and Möller 2016), as they are the main contributors to the firm's survival. In the context of sustainability, the issue is to consider the needs of all stakeholders (shareholders, investors, employees, community and so on) which are supported by the normative section of stakeholder theory. This latter theory states

that firms not only increase stockholders' financial returns but also must give equal consideration to the needs of other stakeholders to gain the optimal balance (Hasnas, 1998). In fact, any firm has explicit costs and implicit costs. The firm that attempts to decrease its implicit costs by being socially irresponsible will certainly incur additional explicit costs. Therefore, managers should satisfy the needs of all stakeholders, not just investors or shareholders (Melé 2008; Mokadem and Muwafak, 2021) whereas sustainability reporting satisfies stakeholders' needs.

Agency theory

This theory was propounded by Stephen Ross and Barry Mitnick in the early 1970`s. The agency theory is based on principal-agent relationship which exists between the owners and managers. This theory has gained significance in the wake of corporate governance scandals like Satyam scam. It is well known that conflict of interest and information asymmetry exists between company managers (insiders) and shareholders & other stakeholders (outsiders).

The theory is further explained that when one party (the principal) delegates decision-making powers to another party (the agent) under a contract, a principal-agent relationship arises (Jensen and Meckling, 1976; Clarke, 2004). Jensen and Meckling define the principal-agent relationship as a contract under which one or more persons (principals) engages another person (the agent) to perform some services on their behalf, which involves giving some decision-making authority to the agent. Whereas the "article of faith" in an agency

arrangement is for both the principal and the agent to work towards the interest of the principal, information asymmetry and greed lure management into pursuing personal objectives instead of those of the principal. This conflict of interest or goal incongruence results in agency problem (Kiyanga, 2014; Fama and Jensen, 1983; Clarke, 2004; Eisenhardt, 1989). From the business perspective, the agency relationship arises when shareholders (who are the owners of resources) delegate the administration of an entity to management (who administers the enterprise), thus making management the agent of the shareholders. In this kind of relationship, the expectation is that the agent (management) will pursue the shareholders' wealth maximisation objective (Kiyanga, 2014)

Empirical Review

Zumratul & Leily (2022) did a study on effect of sustainability reporting disclosure and liquidity on company value with ownership concentration variables as moderating. The study aimed to prove empirically the factors that can affect firm value, namely the disclosure of sustainability reporting and liquidity. The novelty of this research is to test whether the concentration of ownership can moderate the effect of sustainability reporting and liquidity on firm value. The data used in this study is panel data of 37 companies listed on the Indonesia Stock Exchange for the 2016-2020 periods. Data processing is done with WarpPLS 0.8. The results showed that the disclosure of sustainability reporting has no effect on firm value, while liquidity had a positive effect on firm value.

Buallay (2019) examined the impact of sustainability reporting on the performance of European banking sector during 2007 to 2016. The results varied depending on the measurement of sustainability disclosure. When using the total measure of the sustainability disclosure, there is significant positive association with banks performance. Further, when using individual measures, the results varied. Environmental disclosure associated positively with two measures of performance, namely return of assets and Tobin's Q. While, social disclosure has a negative impact on all the performance measures. However, corporate governance disclosure has a mixed effect. It associated positively with Tobin's Q and negatively with both return on assets and return on equity measures.

Amr et al. (2019) examined the association between corporate governance (CG) and online disclosure sustainability for the listed Saudi Banks during the period from 2013 to 2017. The study employs Ordinary least Square (OLS) model. Online sustainability disclosure was measured by using content analysis for GRI financial services sectors guidelines. The descriptive findings revealed that half of the listed Saudi banks are disclosing online sustainability items. Moreover, the multivariate results indicate a positive association between two of the CG variables and online sustainability disclosure. Based on the limited studies applied in the developing countries, this study contributes by examining the association between CG and online sustainability disclosure in banks sectors.

Aras et al. (2018) examined the multidimensional value relevance of sustainability disclosure for seven banks whose sustainability reports are published for the year 2013. The study applied both content analysis and TOPSIS method to evaluate the performance of various multidimensional of sustainability items. The findings indicated that the Spearman rank correlation coefficient between the overall sustainability performance scores of sampled banks and the market value is insignificant. However, the financial sustainability performance presented a positive significant impact on market value.

3. METHODOLOGY

This study employed the survey research method, and survey is quite suitable for obtaining people's views on an issue. The populations for this study consist of all banks in the Nigerian banking sector but due to the number of the banks the researcher has decided to use Wema bank and Access bank, Ijebu-Ode branches as a point of contacts to other banks and as a case study. The target population of this study involved all the staff of the management section (internal audit and operational sector), remittance section, and other supervising sectors in the two selected banks in Ijebu-Ode, Ogun State. The population consists of 203 employees within Wema bank and Access bank Ijebu-Ode, Ogun State.

This method will make the researcher carry out his study covering all the selected employees in the two banks. The sample size of the population is 203 and the researcher will issue the same questionnaire to staff. Because of the

research design and assessing various research objectives in the study, a primary source of data (questionnaire) will be used in gathering the data through a structured questionnaire administered to the staff, especially the selected sections which help to gathered two hundred and three (203) responses from the staff of the 2 selected banks in Ijebu-Ode, OgunState. Primary data was used to gather opinions to investigate the effect of sustainability reporting on quality of corporate disclosure in Nigerian banking industry. This implied that the study made use of a questionnaire to yield a better opinion on the input dataset.

The data collected from the field survey will be analyzed using both the descriptive and inferential methods of data analysis. The descriptive method of analysis comprises the frequency distribution, percentage distribution, and weighted mean score while the inferential statistics used Analysis of regression and correlation. The two methods of data analysis will be used to analyze data collected through the primary data response using appropriate statistical software. SPSS version 29 was also used to calculate the weighted mean score of

Descriptive statistics

Table 1 Frequency statistics.

		Gender	Length of Service
N	Valid	164	164
	Missing	0	0
Mean		1.59	2.38
Std. Deviation		.494	1.041
Percentiles	25	1.00	2.00
	50	2.00	2.00
	75	2.00	3.00

Researcher’s Compilation, (2025).

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the ordinal variable (Likert scale) to justify the response based on the weight of each respondent. For this study, the decision rule stated that if the probability value is less than 5% level of significance, the null hypothesis should be rejected.

The model for verifying the formulated research hypothesis is presented in this section. To examine the impact of sustainability reporting on the quality of corporate disclosure in the banking industry, a mathematical model was developed given the nature of the study. Thus, the model is specified as:

$$QCD = f(SR)..... (1)$$

The above equation can be specified in an SPSS form

$$QCD = \beta_0 + \beta_1SR + \mu (2)$$

Where:

QCD = Quality of Corporate Disclosure

SR = Sustainability Reporting

β_0 = Represent Constant

β_1 = Represent Co-efficient of the variables.

4. ANALYSIS AND INTERPRETATIONS

Table 2 Descriptive Statistics for Quality Corporate Disclosure (QCD) in the banking Industry

Items	N	Minimum	Maximum	Mean	Std. Deviation
QCD1	164	1	5	1.93	1.261
QCD2	164	1	5	1.87	1.116
QCD3	164	1	5	1.96	1.151
QCD4	164	1	5	1.91	1.053
QCD5	164	1	5	1.97	1.284
QCD6	164	1	5	2.09	1.305
QCD	164	1.17	4.17	1.9553	.55756

Researcher's Compilation, (2025).

Descriptive statistics for **QCD** reveal an overall mean score of **1.955 (SD = 0.558)**. This indicates a good and significant perception of the Quality of Corporate Disclosure and its importance through transparency and accountability in financial reporting and corporate governance in the Nigeria banking

Industry. From **table 2, QCD 6** had the highest mean value (**2.09**), revealing that sustainability reporting via the corporate annual report depicts transparency in financial and operational information.

Table 3 Descriptive Statistics for Sustainability Reporting (SR) in the banking industry

Items	N	Minimum	Maximum	Mean	Std. Deviation
SR1	164	1	4	2.22	1.074
SR2	164	1	5	2.29	1.436
SR3	164	1	5	2.40	1.489
SR4	164	1	5	2.29	1.418
SR5	164	1	5	1.76	1.046
SR6	164	1	5	2.26	1.469
SR	164	1.17	4.17	2.2022	.55593

Researcher's Compilation, (2025).

Descriptive statistics for **SR** depict an overall mean score of **2.2022 (SD = 0.556)**. This shows a positive perception of Sustainability Reporting and its essential impacts on the quality of corporate disclosure in the Nigerian banking industry. The table 3 above reveals that **SR 3** had the highest mean value (**2.40**), indicating how effective implementation of

sustainability reporting has enhanced the objectivity of corporate disclosure in the Nigerian Banking Sector.

Minimum and Maximum Value of the Results

Also from the above tables (1 & 2) there is an indication of overall minimum and maximum value of **1.17** and **4.17** respectively.

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Table 4 Correlation Results

		QCD	SR
Spearman's rho	QCD	Correlation Coefficient	1.000
		Sig. (2-tailed)	.567**
		N	164
	SR	Correlation Coefficient	.567**
		Sig. (2-tailed)	<.001
		N	164

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

Researcher’s Compilation, (2025).

The results of the correlation analysis revealed that there is a moderate correlation of 0.567 between sustainability reporting and the quality of corporate disclosure on financial performance and corporate governance in the

Nigerian banking sector. It is also shown that the model is statistically significant by virtue of a 0.001 significant value, which is less than 5% or a 0.05 level of significance.

Tests of Hypothesis

Table 5: Confidence Intervals of Spearman's rho

Confidence Intervals of Spearman's rho				
	Spearman's rho	Significance(2-tailed)	95% Confidence Intervals (2-tailed) ^{a,b}	
			Lower	Upper
SR – QCD	.567	<.001	.449	.665

a. Estimation is based on Fisher's r-to-z transformation.

b. Estimation of standard error is based on the formula proposed by Fieller, Hartley, and Pearson.

The above table shows the strength of the relationship, i.e., the significance of the variable in the model and the magnitude with which it impacts the dependent variable. The analysis helps in performing the hypothesis testing for this study. So considering the table above, only one variable is important in interpretation: **Sig. value**. The result should be less than the research's acceptable threshold of significance, which for this study is less than 0.05 for the 95% confidence range. The

validity of the null hypothesis is determined by its significant value.

Objective: Sustainability reporting has no impact on the quality of corporate disclosure in the Nigerian banking sector.

From the correlation results analysed above, it is crystal clear that sustainability reporting has a significant impact and a positive relationship with the quality of corporate disclosure in the Nigerian banking sector. As a result of the significance value of **0.001** less than **0.05** or

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5% level of significance, the null hypothesis will be rejected and the alternative hypothesis will be accepted (which states that the treatment has a significant impact).

Discussion of Findings

The objective of this study is to examine the impact of sustainability reporting on the quality of corporate disclosures. The finding of the study shows that sustainability reporting has a significant impact and a positive relationship with the quality of corporate disclosure in the Nigerian banking sector. Buallay (2019) indicate that the sustainability disclosure, has a significant positive association with banks performance when he examine the impact of sustainability reporting on the performance of European banking sector during 2007 to 2016. Also, Nnamani, Onyekwelu, & Ugwu (2017) in their evaluation of the effect of sustainability accounting and reporting on financial performance of listed manufacturing firms in Nigeria show that sustainability reporting has positive and significant effect on financial performance of sampled firms.

However, Aras et al. (2018) in their findings indicated that the Spearman rank correlation coefficient between the overall sustainability performance scores of sampled banks and the market value is insignificant.

Meanwhile, the outcome of this study is supported by the stakeholder theory and agency theory since the positive and significant relationship between sustainability reporting and the quality of corporate disclosure affirm the fact that stakeholders are better served when corporate disclosures are product of good sustainability reporting systems a show of the

effective relationship between the principal and agent is seen to be cordial respectively.

5. CONCLUSION

The number of companies who issue sustainability reports has significantly increased during the last decade. Various researches have been conducted over the last decade for examining the linkage between sustainability reporting and corporate financial performance. There also exists a strong theoretical review in support of sustainability reporting; encompassing Stakeholder and Agency Theory. Particularly studies have been analyzed in this regard. The results are mixed and range from positive, to negative, to statistically insignificant relationship, depending upon the choice of measure of sustainability reporting (may be disclosure index scores, independent sustainability ratings, dummy variables indicating issue of GRI Report or membership of popular sustainability indices); measure of financial performance (may be cost of capital, accounting-based measures, market-based measures, or mixture of these measures); sample selection (large or small sample size; from developed or developing countries); and control variables (firm size, industry, risk). Thus from the findings made in this research work concludes that sustainability reporting and quality of corporate disclosure enhance corporate reputation and financial performance as it results in various synergies and benefits accruing to the reporting firm.

Recommendations

1. The implementation of sustainability reporting will boost the confidence of financial

analysts and all stakeholders who rely on banks financial reports to make informed decisions. The effect on the Nigerian economy is that it will improve the level of foreign direct investment (FDI) into the country because of high confidence global investors will place on corporate disclosures by Nigerian banks.

2. Regulatory authorities should put more measures in place to ensure continued compliance from the people saddled with the responsibility to prepare bank's financial statement. Also, measures should be taken to enhance the quality disclosure of relevant financial reporting information especially materiality and uniformity of sustainability reporting in the Nigerian banking sector to improve transparency and accountability.

3. There is need for independent body to provide assurance on sustainability reports in the Nigerian banking sector, this will ensure more compliance to the best practices for sustainability reporting.

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