

Effect of board diversity on risk disclosure of listed deposit money banks in Nigeria

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Abstract

Purpose: The disclosure of risk is an important aspect of a company's financial reporting. This study examines the effect of board diversity on risk disclosure of listed deposit money banks in Nigeria.

Methodology: A sample of eleven deposit money banks out of 14 listed in the Nigerian Exchange Group period 2015-2024 was used. Panel regression was used in the analysis.

Results and conclusion: The result showed that board committee expertise has positive effect on risk disclosure while board gender diversity has no significant effect on Risk disclosure of listed deposit money banks in Nigeria.

Implications of findings: The study recommended that more board with background in accounting or financial education should maintain be giving more priority as it can promote risk disclosure.

Keywords: Board financial expertise, board gender diversity and risk disclosure

1. Introduction

Information about a company's traits, strategies, operations, and other elements that could change anticipated results is known as a risk disclosure. It gives insight into the risks that businesses face and the possible effects on the overall financial and non-financial outlook of the firm's risk (Richard & Anthony 2021). After the 2007-2008 global crises, attention of financial firms, investors, government shifted from profit maximization and earnings performance to risk disclosure and risk management transparency, as manager's appetite for risk raised concerns for shareholders and the public (Rezaee, 2016).

Risk disclosures are the comprehensive communication of both quantitative and qualitative information regarding potential risks of Deposit Money Banks (DMBs). This definition includes the disclosure of several kinds of risks, including credit risk, market risk, operational risk, financial risk and liquidity risk, as well as the related risk mitigation and management techniques used by DMBs.

The Nigerian banking sector act as the lifeblood of the country's economy, the sector fuels growth through the collection of savings from individuals and businesses and then channeling those funds into loans and investments (Musa et al., 2020). However, this core function of intermediation inherently exposes banks to various risks. These risks include credit risk which is the possibility that borrower's default on their loans (Naili & Lahrichi, 2022), market risk which stem from fluctuations in interest rates, foreign exchange rates, or stock prices, operational risk which arise from breakdowns in internal processes, systems or human error and liquidity risk which is the inability to meet short-term financial obligations due to difficulty in accessing funds (Ananta et al., 2019).

These banks misled investors and the public by using creative accounting to conceal operational and financial risks in their annual reports (Yahaya, 2025). The Nigerian banking landscape had experienced significant changes. In 2006, a consolidation exercise was lunched that led to the merger of several banks, reducing their number and strengthening the sector. In line with the foregoing, this study examines the effect board diversity on risk disclosure of listed deposit money banks in Nigeria.

The distribution of various traits and qualities among directors, which influence attitudes and viewpoints, as well as differences in the composition of boards, is known as board diversity. Diversity has been shown to improve boardroom creativity and innovation (Matta and Kochhar, 2022). Gender, nationality, experience, age, financial knowledge, functional background, skills, and religion are some of the elements of board member heterogeneity (Khokan, 2022). Through social identity identification and cognition, each of these board diversity types influences risk disclosure level outcomes (Tarus et al., 2019).

The board's main responsibilities are to supervise the financial reporting procedure and keep an eye on management, as the latter plans to falsify data for personal gain (Putra et al., 2018). Therefore, it is essential that the audit committee and external auditors are involved in confirming the validity, acceptability and reliability of financial statements. External auditors provide independent opinions on the firm's financial statements and the annual report is prepared to ensure accuracy and avoid any potential bias or misstatements. The subcommittee of the board is considered the most significant due to its specific role of protecting the interests of shareholders in relation to financial oversight and control (Mallin, 2007). Board enhances the integrity of financial statements and reduces the audit risk thereby enhancing the quality of reported figures (Contessotto & Moroney, 2013). Although companies comply with the regulatory requirements in order to avoid sanctions, not all of such committees are effective in enhancing the company's performance (Beasley, 1996).

Understanding the risks associated with the banking industry is crucial in Nigeria, where corporate scandals have led to the collapse or merging of many banks including Oceanic Bank, Intercontinental Bank, Afribank Nigeria Plc, Bank PHB, Spring Bank and Skye Bank. Others survived through mergers and acquisitions, such as the 2019 merger of Access Bank Plc and Diamond Bank, and the acquisition of Oceanic Bank by Ecobank Nigeria. (Zehri & Zgarni, 2020; Ujah, 2020; Ntim et al., 2013). In recent years, there is a rise in banking-related issues in Nigeria. In 2024, Heritage Bank's license was revoked due to regulatory breaches, leading to material adverse effects on its depositors and other stakeholders on non-compliance with operational and reputational risks (Proshare 2024). Similarly, in 2019, Access Bank merged with Diamond Bank, as a result of multiple interconnected risks, mainly due to corporate governance failures, poor risk management and an increase in non-performing loans (Uzoma, 2021). Hence, this highlights the need for improved risk disclosures in financial statements of the Nigerian banks.

Inadequate internal controls and poor liquidity management further destabilized the bank, leading to a liquidity crisis and loss of confidence among depositors and investors (CBN 2024). For example, there have been bank failures in emerging economies, such as the acquisition of Skye Bank by Polaris Bank in Nigeria (Akpan, 2017). There are worries about the necessity of increasing board diversity in banks given the seriousness of the incidents that have prompted banks to try to meet different consolidation requirements, as well as the experiences of a few system operators.

This study examined the effect of board diversity on risk disclosure of listed deposit money banks in Nigeria. Specifically, the study considers factors such as gender diversity and financial expertise of board members as the independent variables while risk disclosure as a dependent variable of the study. The time frame of the study is ten (10) years from 2014 to 2023. The main objective of this study is to determine the effect of board diversity and board financial expertise on risk disclosure of listed deposit money banks in Nigeria.

2. Literature review

This section provides a review literature and theories used in the paper.

Concept of Risk Disclosure

Although the idea of risk disclosure is not new, the global financial crisis has sparked renewed interest in it among academics, organizations that set standards, and other organizations (Ryan, 2012). Regulatory agencies worked hard to improve the quality of financial reports by tightening risk disclosure regulations after the global financial crisis exposed flaws in risk disclosures.

Various authors have provided definitions of risk disclosures within the context of corporate reporting. Beattie and Smith (2013) characterize risk disclosures as the communication of information pertaining to potential risks faced by an organization, encompassing details on the nature of risks, their potential impact and the strategies employed for its management or mitigation. Similarly, Beasley et al. (2005) define risk disclosures as the communication of information concerning uncertainties and vulnerabilities that may affect an organization's future financial performance or operations. Cabedo and Tirado (2004) describe risk in the business world as the possibility of a company's wealth being depleted due to the combination of risks and obstacles in the business environment. Risk is implied to be negative when the term possible loss is used to describe it (Abdullah et al., 2017).

Following the methodology of Abdullah et al. (2017), the study defines risk as "harm and threat" or "opportunity and prospect" resulting from changes in the business environment. This definition is consistent with that of the Association of International Certified Professional Accountants (AICPA) and the Criminal Injuries Compensation Authority (CICA), where risk is defined as the probability of an adverse event impeding the achievement of an objective (Abdullah et al., 2017). Finding a balance between risk and return has always been a challenge for banks, and it has become more difficult in light of the current global financial crisis and economic uncertainties (Abdullah, et al., 2017).

Concept of Board Diversity

Board diversity refers to an inclusive board environment that values and promotes equal opportunities for individuals of all genders, aiming to eliminate gender-based barriers and biases in corporate leadership (Oshoke & Iria, 2023). Similarly, having gender diversity on board is recognized as a strategic business imperative, highlighting how a diverse mix of genders can enhance innovation, problem-solving and overall corporate performance, thereby contributing to the organization's long-term success (Martin et al., 2008). Carter et al. (2010) further defined board gender diversity as a crucial element of corporate governance, specifically referring to the presence of female directors on corporate boards. Furthermore, Jeyapalan and Jabbar (2014) described board gender diversity as reflecting the diverse talents and perspectives of both men and women on corporate boards, thus representing broader organizational and societal diversity. Similarly, Okoyeuzu et al. (2021) defined board gender diversity as the presence of both genders on boards of directors or governing bodies. This study adopt the measure of board gender as based on the proportion of female director's relative to the total number of directors on board by Okoyeuzu et al., (2021).

Board Financial Expertise

The term financial expertise refers to the percentage of qualified, experienced, educated and skilled board members to the overall number of board members (Modozie & Orjinta 2023). A director needs to have adequate academic and professional expertise in accounting, finance, forensics and auditing to be considered an expert on a board (Oshoke & Iria, 2023). Financial expertise is also defined as the specialized knowledge, skills and competencies that directors bring to the boardroom, including industry-specific expertise, financial acumen, strategic planning skills, legal and regulatory knowledge

and leadership experience (Budiman & Bandi, 2023). Also, Nugraha (2023) sees financial expertise as an attribute of board that includes the practical experience and professional background of directors such as prior executive leadership roles, industry experience and functional expertise in areas critical to the company's operations and strategic objectives.

Measuring board financial expertise in corporate boards involves evaluating the collective knowledge, skills and experience of board committee members. While numerous researchers have measured it by considering professional backgrounds, educational qualifications or industry experience. Studies such as Razali et al. (2023), Oshoke and Iria (2023) and Nugraha (2023) measure financial expertise of directors by considering the proportion of directors with high educational level. The study adopt the measurement define by Oshoke and Iria (2023) where financial expertise is measure using the proportion of members with accounting and financial background.

Review of Empirical Studies

This section reviews empirical studies provides a critical analysis of existing research, highlighting key findings, methodologies and gaps within a specific field. It serves as foundation for understanding trends, validating theories and identifying areas for further research.

Board Financial Expertise and risk disclosure

Omeize, et al. (2021) examining the effect of financial expertise of board characteristic on voluntary disclosure in Nigerian banks. The study sampled 13 listed banks from the Nigerian Exchange Group (NEG) over 11-years (2008-2018). The data was analyzed using the Robust Ordinary Least Squares regression technique and the Positive Accounting Theory was applied to test the relationship between the variables. The dependent variable was voluntary disclosure, while the independent variable was the financial expertise of the audit committee. The results revealed a significant positive relationship between audit committee financial expertise and voluntary disclosure in listed Nigerian banks.

Akhtaruddin and Haron (2010) examined board ownership, audit committee effectiveness and corporate voluntary disclosures of listed firms in Shanghai Stock Exchange. The ownership and audit committee effectiveness are the independent variable proxy by audit committee expertise, while corporate voluntary disclosure was the dependent variable measured by total number of audit committee who has accounting or financial background. The study employed multiple regressions to analyze the data over the period of 2008 – 2012. The Signaling and stakeholder theories where employed to establish the relationship between the dependent and independent variables. The result established board financial expertise and audit committee financial expertise has positive and significant association between audit Committee Financial Expertise and voluntary disclosure in Malaysia.

Matta and Kochhar (2022) studied the influence of board characteristics on the quality of risk disclosures in integrated annual reports of banks in India for the period of 2017- 2018 Using content analysis on the sample of 30 banks listed on the National Stock Exchange (NSE) in India, Agency theory was employed to establish a relationship between the dependent and independent variables. Multiple regression was employed to analyze the data, the results showed a positive relationship between financial expertise with risk disclosure quality (RDQ). The study's finding is limited by the short time frame (2017-2018), which may not fully capture broader trends to other contexts. This current study extending this research to eleven (11) years by examining the effect of board diversity on risk disclosure of listed deposit money banks in Nigeria, which could provide deeper insights into the functions plays by board diversity in enhancing transparency and risk disclosure.

Musa, et al. (2020) investigated the impact of board independence and financial expertise on the voluntary disclosure practices of deposit money banks in Nigeria. The study sampled 11 banks from the Nigerian Exchange Group (NEG) for eleven years (2008-2018). The study employed Generalized Linear Regression to evaluate the influence of independent variables, using Agency Theory to explore the relationship between these variables, the study found that board expertise significantly and positively affects voluntary disclosure in the banking sector.

Adil (2021) studied the impact of board characteristics on the risk-taking behavior of firms in Pakistan, the study sampled 102 non-financial companies listed on the Pakistan Stock Exchange for a period of Nine (9) years (2010 to 2018). The study employed multiple regression model to analyze the data, agency and signaling theories were used to explain the relationship between the dependent (risk taking behavior) and independent variables (board characteristic). The study revealed that board financial expertise has a positively significant influence on risk disclosure

H0₁: Board financial expertise has no significant effect on risk disclosure of listed deposit money banks in Nigeria

Board Gender Diversity and Risk Disclosure

Voila, et al. (2023) investigated the impact of board characteristics and size on risk disclosure Evidence from Indonesian Mining Firms. The board characteristics was the independent variable proxy by audit committee gender, while the risk disclosure was the dependent variable. The study employed 47 samples of mining firms listed on the Indonesian Stock Exchange for a period of four (4) years (2017 to 2020). The research used a purposive sampling technique in order to select the sample, the study employed multiple regression to analyze the data, agency and stakeholders' theories were employed to establish the relationship between the dependent and independent variables. The study revealed that audit committee gender has a negative and insignificant relationship with risk disclosure.

Shamim and Ranjith (2017) investigated how audit committee characteristics affected the voluntary disclosure of corporate social responsibility in Australian listed companies' corporate annual reports. The study covered period of from 2012 to 2013. The independent variable for the study is Audit committee characteristics proxy by audit committee gender and measured by the natural log of number of females in the committee while risk disclosure was the dependent variable proxy by risk disclosure. The study used multiple regression analysis on data collected from the corporate annual reports of 300 listed firms, the finding reveals that audit committee gender has a positive and significant influence on the level of CSR disclosure. The finding of this study cannot be generalized as one-year study period is insufficient to rely upon.

Khokan (2022) investigated Key Audit Matters (KAMs) disclosures and audit committee characteristics. A sample of 3013 KAMs and 1112 firm-year observations from 2017 to 2020. The study's dependent variable is risk disclosure, which is measured by one and zero using multivariate regression models. The independent variable is audit committee characteristics, which are characterized by audit committee gender and quantified by the natural log of the number of females on the committee. Finding showed that the audit committee gender has a negative and insignificant relationship with risk disclosure.

Hasibuan and Auliya (2019) examined how the features of the audit committee and board of commissioners affected the degree of risk disclosure in financial service firms in the banking industry that were listed on the Indonesia Stock Exchange (IDX) between 2015 and 2017. The study used a sample of 20 banking sector companies over three years, selected through purposive sampling. Multiple regression analysis was employed to examine the data. The study applied Agency Theory to explore

board gender diversity issues and to test the relationship between the dependent and independent variables. The findings indicated that board gender has a positive and insignificant effect on the level of risk disclosure.

Wada et al. (2023) investigated the connection between risk disclosure quality and board gender diversity in Nigerian listed insurance companies. Over the course of 11 years, from 2011 to 2021, the study examined a sample of 17 insurance businesses that were listed on the Nigerian Exchange Group (NEG). The study examined the link between the variables through the prism of agency and shareholder theories using multiple regression analysis. The dependent variable was risk disclosure quality, while the independent variable was the gender diversity. The findings revealed that board gender diversity had a negative and insignificant impact on risk disclosure quality.

Ebirien et al. (2019) examined the effect of board characteristics value relevance of voluntary risk disclosure in Nigeria. The study used a sample of 14 financial firms which were listed on the Nigerian Exchange Group for a period of Ten years (2009 to 2018). The independent variable for the study is board characteristics proxy using gender diversity while risk disclosure is the dependent variable. The study employed multiple regressions to analyze the effect of board characteristics of voluntary disclosure. The signaling and stakeholder theories were employed to establish the relationship between the dependent and independent variables, the study found that board gender diversity has positive but insignificant relationship between disclosures amongst Nigerian listed deposit money banks.

H0₂: Board gender diversity has no significant effect on risk disclosure of listed deposit money banks in Nigeria

Theoretical Review

There are numerous theories relating to board characteristics and risk disclosure. Some are well known in research and some are more based on perceptions. One theory which is considered relevant to this study is discussed.

Agency theory

The interaction between principals, like owners or shareholders, and agents, like managers or employees, inside an organization is the subject of agency theory, a concept in organizational theory and economics. It looks at potential conflicts of interest that can occur when principals give agents decision-making power and investigates ways to balance their interests and lessen agency issues (Ali, 2020). In this study, agency theory provides a different theoretical lens to understand the relationship between principals (shareholders) and agents in Nigerian deposit money banks (DMBs) concerning financial risk disclosure.

Agency theory aims to align the objectives of management with those of shareholders (Jensen & Meckling, 1976). The theory suggest that the board of directors serves as supervisory function to align the objectives of management with those of the company's owners, thereby guaranteeing that management operates in the shareholders' best interests. When the board of directors is effectively structured, it is better equipped to address the agency dilemma between management and shareholders, thus promoting the efficient operation of the company (Fama & Jensen, 1983). Within the context of agency theory, the principal-agent relationship serves as a foundational concept. Shareholders delegate decision-making authority to the board of directors, entrusting them with the responsibility of making

strategic decisions on behalf of the shareholders (Putra et al., 2018). Agency theory will help to address the relationship between board committee and risk disclosure within the banking institution where risk disclosure is in line, the realm of risk disclosure to maximize the shareholder's interest.

3. Methodology

For the purpose of this study, ex-post factor research design was used. Because this study is reporting on what already exists (public financial data), the ex-post factor design was chosen. The research design hinges on positivism which emphasizes a more scientific, objective and systematic approach to research, through the use of quantitative method (Saunders, et al., 2007). The data used in this study was collected for a specific period of time Annual Financial Reports of DMBs from 2015-2024. In order to ensure that evidence obtained adequately addresses the research, the study used panel data and multiple regression to analyze the relationship between the dependent and independent variables.

All fourteen (14) listed Deposit Money Banks in Nigeria that were in operation as of December 31, 2024, make up the study's population. The study uses a purposive sampling strategy to choose a sample of eleven Nigerian listed deposit money institutions. The deliberate selection of banks that satisfy particular requirements, such being listed on the Nigerian Exchange Group, is made possible by purposeful sampling. The published annual reports and accounts for the years 2015 through 2024 served as the source of the data gathered from sampling deposit money banks.

The unweighted index is utilized for each risk compliance index. Each disclosure requirement is given equal weight in this index. Because every item in the disclosure index is considered equally, the index is known as unweighted. The index is in line with the disclosure index that other research has employed (Bagudo, et al. 2017; Abe et al., 2020). The use of an unweighted index is justified by the claim that all users of financial statements receive disclosure due to obligatory disclosure.

The ratio of the revealed items to the relevant disclosure, as shown below, is the unweighted index:

$$UWDIN_{it} = \frac{\sum_{i=1}^n T_{it}}{\sum_{i=1}^m M_{it}}$$

Where UWDIN is the ratio of compliance with the risk disclosure for company *I* at time *t*. UWDIN is always less than or equal to 1 and greater than 0. T_{it} is the total risk disclosure requirements complied by company *i* at time *t*. M_{it} is the maximum risk disclosures applicable to company *I* at time *t*.

The use of an unweighted index aligns with prior research that argues for the equal treatment of mandatory disclosures, as all elements contribute to financial transparency and comparability (Abe et al., 2020).

Variables Definition and their Measurement

Table 1: Variables and their Measurements

Variable	Measurement	Source
Risk Disclosure (RD)	The study used unweighted index to measure the risk disclosure as a total risk disclosure divided by maximum risk disclosure applicable to the firm	Ananta et al., (2019); Ryan, (2012); Beattie & Smith (2013); Abdullah, et al. (2017)
Board Gender Diversity (BGD)	Measured as the ratio of female directors to total board members within the board.	Zarai (2012); Oyelekeet al. (2016); Alhosani and Nobanee (2023); Chatzi & Leventis, (2020).
Board Financial Expertise (BFE)	The study uses a proportion of board members with accounting experience to the total number of board members.	Ojeka et al (2015); Modozie & Orjinta (2023); Oshoke & Iria (2023); Nugraha (2023); Razali et al., (2023)
Firm Size	The study used the natural log of Total assets of the company.	Alkilani, et al (2020); Tarus, et al (2019); Dahar & Adeyemi, (2009); Ojeka et al (2015); Zarai (2012).
Leverage	The study used total debt divided by total asset of the company.	Khamainy, et al (2022); Appah & Tebepah (2020); Modozie & Orjinta (2023)

Source: Authors compilation based on literature (2026)

Model Specification

The impact of board committee features on DBM risk disclosure was investigated using a multiple regression model.

The model for this study is:

$$UWDIN_{it} = \alpha_0 + \alpha_1 BCFE_{it} + \alpha_2 BCGD_{it} + \alpha_3 FSIZE_{it} + \alpha_4 LEV_{it} + e_{it} \dots \dots \dots 1$$

Where:

$UWDIN_{it}$ = Unweighted index for firm i in time t divided by the total index score at time t.

BFE = Board Financial Expertise for firm i in time t.

BGD_{it} = Board Gender Diversity for firm i in time t.

FSIZE= Total log of total assets for firm i in time t.

LEV = Leverage for firm i in time t.

e_{it} =Error term.

α_0 =Intercept.

$\alpha_1, \alpha_2, \alpha_3, \alpha_4$ = Model coefficients.

4. Results and discussion

The study's data results, such as the firm under study's regression result, correlation matrix, and descriptive statistics, are covered in this section.

The findings of the descriptive statistical analysis are displayed in Table 2. A disclosure index was used to measure risk disclosure, and an unweighted index had been utilized for figuring out the average score.

Risk disclosures has an average value of 0.818 or 81% of companies that has met risk disclosure, this means that the listed deposit money banks in Nigeria compliance with 81% as indicate by the mean valuable. The smallest disclosure index is 0.2 or 20% the largest disclosure index is .95 or 95%. This indicate that listed deposit money banks in Nigeria has 20% rate of compliance with risk disclosure while the maximum banks has a compliance index of 95%

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
RD	110	0.818	0.666	0.2	0.95
BFE	110	0.442	0.127	0.2	0.67
BGD	110	0.179	0.163	0	0.8
firmsize	110	7.730	1.389	5.908	10.082
leverage	110	0.262	0.1461	0.016	0.888

Source: Author's Computation using Stata14 Output, (2026).

Board Financial Expertise (bfe) was determined by counting the number of members of the board with a first degree in accounting or finance. The minimum value is 0.2, or 20% of the board, and the maximum value is 0.67, or 67% of the board. The mean value is 0.442, suggesting that 44% of the board members have financial knowledge for the year.

Board gender diversity (bgd) was calculated by dividing the total number of female board members by the total number of board members. With a minimum value of (0) and a maximum value of 0.8, or 80%, the mean value of 0.179 shows that there were 17.9% of female board members overall during the year. This suggests that the enterprises throughout the study period had the fewest number of female board members 0.

Table 3: Correlation Matrix

Variables	RDit	BFE	BGD	firmsize	leverage
RDit	1.0000				
BFE	0.4515	1.0000			
BGD	0.2809	0.0746	1.0000		
firmsize	-0.1250	-0.1775	-0.2060	1.0000	
leverage	-0.3320	-0.1062	-0.1905	0.3524	1.0000

Source: Author's Computation using Stata14 Output, (2026).

It should be mentioned that the correlation coefficient's value falls between 1.0 and -1.0. A variable has a perfect, strong, and positive linear relationship with itself when the coefficient on the matrix (diagonal) is 1.0, whereas a perfect, strong, and negative correlation is present when the coefficient is -1.0. On the other hand, a correlation coefficient value between 1.0 and -1.0 indicates a weak to moderate association. To put it another way, a positive relationship is represented by $r > 0$, a negative relationship by $r < 0$, and no relationship at all by $r = 0$.

Based on Table 3, risk disclosure has a significant and positive correlation with bfe and bgd, with values of bfe ($r = 0.452$, $P < 0.1$) and bgd ($r = 0.2809$, $P < 0.1$). This indicates that as risk disclosure increases, so will bfe and bgd. Firm size ($r = -0.125$, $P < 0.1$) and leverage ($r = -0.332$, $P < 0.1$) have a negative and substantial connection with risk disclosure, emphasizing that an increase in risk disclosure will lead to a drop in firm size and leverage.

Table 4 displays the regression result for the association between the independent factors (board gender and expertise) and the dependent variable (risk disclosure). The study presents the model's results using

the risk disclosure index, which assigns a score of 0 for non-compliance and 1 for compliance with each disclosure criteria. The best model appears to be the random effect regression, according to the negligible results of the Hausman test (chi2 value of 1.52 and Prob>chi2 of 0.8227).

Table 4: Regression

Variables	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
BFE	0.0696767	0.0147754	4.72	0.000	0.0407175 – 0.0986359
BGD	0.0104986	0.0127250	0.83	0.409	–0.0144419 – 0.0354392
firmsize	0.0200032	0.0116137	1.72	0.085	–0.0027592 – 0.0427656
leverage	–0.0011588	0.0008434	–1.37	0.169	–0.0028119 – 0.0004943
_cons	0.3813912	0.0989593	3.85	0.000	0.1874344 – 0.5753479
Model Diagnostics					
Test	Statistic		P-value		
Hausman Test	$\chi^2 = 1.52$		0.8227		

Source: Author's Computation using Stata14 Output, (2026).

Table 4 shows that the coefficient of board financial expertise is positive at 0.0697, and the P value is 0.000, indicating that the finding is significant and that hypothesis one should be accepted. This finding is consistent with research by Omeize et al. (2021) and Matta & Kochhar (2022), indicating that the quantity of board financial competence influences the risk disclosure of deposit money banks in Nigeria.

Board gender diversity has a positive coefficient of 0.0105 and an insignificant P value of 0.409. The outcome is favorable and has little bearing on the contest's risk disclosure. The outcome suggests that increasing the proportion of women on board committees won't help prevent risk disclosure, which would prevent risk disclosure from increasing. This finding is consistent with studies by Voila et al. (2023) and Wada et al. (2023).

5. Conclusion

According to the study's findings, board gender has no discernible impact on risk disclosure for Nigerian listed deposit money institutions. This indicates that the number of female board members has no bearing on the risk disclosure of Nigerian listed deposit money institutions. Board expertise significantly improves listed deposit money institutions' risk disclosure in Nigeria. This implies that the number of board members with experience in accounting and finance may have an effect on risk disclosure in a timely way and assist the company in responding quickly to inquiries about financial misbehavior.

Therefore, the study advises shareholders of listed deposit money banks to make sure that directors with financial expertise are appointed to the board of directors. This will help to reduce the practice of risk disclosure, and a board with members with financial expertise will help mitigate the financial statement's mesmerizing effect.

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