

University of Bahrain

**College of Business
Administration**



**Department of
Accounting**

**Board Characteristics and the Compliance
with IFRS 7 (Financial Instruments:
Disclosure) – Evidence from GCC Countries**

A thesis submitted in partial fulfillment of the requirements
for the M.Sc. degree in Accounting

Prepared by:
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Supervised by:
Dr. Abdelmohsen M. Desoky
Department of Accounting
University of Bahrain

Kingdom of Bahrain
December 2022

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Thesis Discussion Committee Decision

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ملخص البحث

الهدف الأساسي من هذا البحث هو اختبار تأثير عدد من خصائص مجلس الإدارة على مدى الامتثال للمعيار الدولي لإعداد التقارير المالية 7 (IFRS) "الأدوات المالية: الإفصاح" في دول مجلس التعاون الخليجي. تتضمن الدراسة الحالية فترة ثلاث سنوات من 2018 إلى 2020 وتتضمن بيانات تجريبية من ست دول مجلس التعاون الخليجي: البحرين والمملكة العربية السعودية والكويت وعمان وقطر والإمارات العربية المتحدة. باستثناء الشركات غير المالية ، تم جمع المعلومات من التقارير السنوية وتقارير حوكمة الشركات (إذا نشرت بشكل منفصل) التي تغطي جميع القطاعات المالية. تتكون العينة المستخدمة في البحث الحالي من 621 ملاحظة مؤكدة. تبحث الدراسة في العلاقة بين عدد من خصائص مجلس الإدارة (حجم مجلس الإدارة ، وملكية مجلس الإدارة ، والتنوع بين الجنسين ، واستقلالية المجلس ، وعدد اجتماعات المجلس ، والمؤهلات التعليمية لأعضاء مجلس الإدارة ، وخبرة مجلس الإدارة) ومدى الامتثال للمعيار الدولي لإعداد التقارير المالية 7 (متطلبات الكشف عن المخاطر). يُقاس المتغير التابع (الإفصاح عن المخاطر) بمؤشر لمتطلبات الإفصاح عن المخاطر وفقاً للمعايير الدولية لإعداد التقارير المالية 7. يتم التحقيق في تأثير خصائص مجلس الإدارة على مدى الامتثال للمعيار الدولي لإعداد التقارير المالية رقم 7 (متطلبات الكشف عن المخاطر) باستخدام ارتباط بيرسون والتسلسل الهرمي متعدد المتغيرات تحليل الانحدار المتعدد (HMR) ، حيث تم تصميم ثمانية نماذج HMR ووجد أن جميع النماذج مهمة باستثناء النموذج 5 الذي وجد أنه غير مهم. كشفت النتائج أن متغيرين مستقلين فقط لهما علاقة إيجابية مهمة مع متطلبات الإفصاح عن المخاطر للمعيار الدولي لإعداد التقارير المالية رقم 7 ، وهما حجم مجلس الإدارة وعدد اجتماعات مجلس الإدارة. متغير مستقل واحد فقط له ارتباط سلبي مهم بمتطلبات الكشف عن المخاطر في المعيار الدولي لإعداد التقارير المالية 7 ، وهو التنوع بين الجنسين.

الكلمات المفتاحية: خصائص مجلس الإدارة ، دول مجلس التعاون الخليجي ، المعيار الدولي لإعداد التقارير المالية رقم 7 ، الإفصاح عن المخاطر.

Acknowledgment

I want to start by expressing my gratitude to Allah for giving me the ability, knowledge, and chance to complete this level of the Master of Science in accounting. I want to express my gratitude to all people who contributed to the effective completion of this thesis.

I want to express my gratitude to my supervisor, Dr. Abdelmohsen M. Desoky, for his exceptional work, continuous support, valuable time, and motivation. His meetings were always valuable and keeps me motivated and inspired, and without his help and guidance, my thesis would not have been feasible. I will always be appreciative of his assistance and wisdom, which words cannot adequately express or define.

My parents, brothers, and sister deserve a special word of thanks and appreciation. I appreciate your support and love. Thank you for being by my side as you are my motivator.

I also want to express my gratitude to Jassim Aryan, Amna Ali, Noor Darwish, Maryam Mohamed, Fatima Alawadhi, and Mohamed Yaseen, who are all close friends and colleagues. Without your nice remarks, I would not have progressed to this point.

Abstract

The fundamental objective of this research is to test the impact of a number of board characteristics on the extent of compliance with the International Financial Reporting Standard (IFRS) 7 “Financial Instruments: Disclosure” in GCC countries. The current study includes a three-year period from 2018 to 2020 empirical data from six GCC countries: Bahrain, the Kingdom of Saudi Arabia, Kuwait, Oman, Qatar, and the United Arab Emirates. With the exception of non-financial entities, information has been gathered from the annual reports and the corporate governance reports (if published separately) covering all the financial sectors. The sample used in the current research consists of 621 firm observations. The study investigates the association between a number of board characteristics (board size, board ownership, board gender diversity, board independence, number of board meetings, educational qualification of board members, and board experience) and the extent of compliance with the IFRS 7 (risk disclosure requirements). The dependent variable (risk disclosure) is measured by an index of the risk disclosure requirement in compliance with IFRS 7. The effect of board characteristics on the extent of compliance with IFRS 7 (risk disclosure requirements) is investigated using Pearson correlation and the multivariate Hierarchical Multiple Regression (HMR) analysis, where eight HMR models are designed and all models are found to be significant except for Model 5 which is found to be insignificant. The results revealed that only two independent variables have a positive significant association with the IFRS 7 risk disclosure requirements, which are board size and number of board meetings. Only one independent variable has a negative significant association with the IFRS 7 risk disclosure requirements, which is gender diversity.

Keywords: Board characteristics, Gulf Cooperation Council Countries, IFRS 7, Risk disclosure.

Declaration

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This dissertation titled “Board Characteristics and the Compliance with IFRS 7 (Financial Instruments: Disclosure) – Evidence from GCC Countries” is submitted for obtaining the Degree of Master of Science in Accounting from the University of Bahrain. This declaration is to clarify that this thesis is the original version of my work except for the quotations, which are duly acknowledged.

Dedication

This study is dedicated to my loving family, especially my mother who supported me from the begging of this amazing journey till end...

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List of Abbreviations

Abbreviation	Full Name
BES	Bahrain Stock Exchange
CMA	Capital Market Authority
GAAP	Generally accepted accounting principles
GCC	Gulf Cooperation Council
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Accounting standards
KSA	Kingdom of Saudi Arabia
MENA	Middle East and North Africa
SAMA	The Saudi Credit Bureau
SOCPA	Saudi Organization for Chartered and Professional Accountants
UAE	United Arab Emirates
UK	United Kingdom
US	United States

Chapter One: Introduction

- 1.1 Introduction**
- 1.2 The research problem**
- 1.3 Research questions**
- 1.4 Research objectives**
- 1.5 The research importance**
- 1.6 Research motivations**
- 1.7 The research structure**
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Chapter One

Introduction

1.1 Introduction

Company risk disclosure has drawn significant attention, especially in the wake of the early 2000s US corporate failures and accounting scandals, as well as the 2007–2008 global financial crisis. These crises acted as a reminder for businesses, investors, decision-makers, regulators of the financial markets, and other key stakeholders to start paying more attention to risk management and risk reporting. As a result, there is a rising need for businesses to offer increasingly comprehensive risk data in their annual reports. Professional organizations have put up recommendations pushing businesses to disclose more details about their risk exposure. There have also been governmental reactions, with several nations creating legislation that compels businesses to disclose risk information and, as a result, aid stakeholders and investors in making decisions. Risk management has, therefore, developed to cover an extensive range of corporate operations and activities. As a result, interested parties have demanded corporate risk disclosure so that they can assess the risk's importance.

The following are some of the important obligations of the board of directors, as per the Corporate Governance Code of the Kingdom of Bahrain (MOIC, 2018):

1. Adopting the commercial and financial policies related to the company's performance in business and the accomplishment of its goals.
2. Establishing, directing, and managing the company's plans, policies, strategies, and major goals.
3. Establishing and overseeing the guidelines and procedures for the internal control of the firm.
4. Deciding on the best capital structure, financial goals, and plans for

the firm, as well as approving annual budgets. 5. Keeping track of the company's key capital investments, as well as owning and disposing of assets. 6. Approving and delivering to the general assembly the quarterly and yearly financial accounts of the firm. 7. Monitoring the senior management's actions and making sure that they fulfill applicable laws and regulations while running smoothly to meet the company's goals.

Furthermore, 8. Establishing specialized committees that arise from the board of directors in agreement with the regulatory requirements and the nature of the company's operation and publishing the committees' rules. 9. Considering the provisions of Article (188) of the Commercial Companies Law, determining the forms of compensation for top executives and directors, subject to approval by the shareholders' general assembly. 10. Setting up a system to control dealings with connected parties to reduce conflicts of interest. 11. Establishing guidelines for the company's operations. 12. Establishing a framework of the risks the company might face, cultivating a culture where risk management knowledge is prevalent, and transparently communicating this information to the company's related parties and stakeholders ensures the application of appropriate control and risk management systems.

Moreover, 13. Ensuring that all shareholders, including minority shareholders, are treated fairly. 14. Creating internal rules that specify the board's obligations and responsibilities, including the directors' obligations and responsibilities, from which the board shall not be exempt even if it creates committees or delegates certain responsibilities to other entities or people (MOIC, 2018). In addition, the directors will be responsible to the investors for fulfilling the firm's goals and purposes, both individually and collectively. They are expected to

prioritize the company's interests over all other interests, including the interests of the shareholders they are supposed to be representing.

Concerns included the growth in global economic, political, and regulatory unpredictability as well as the volatility of market returns. The company scandals of the 20th and 21st centuries, such as those involving Enron, Lehman Brothers, Maxwell, WorldCom, Madoff, Equitable Life, and AIG, have damaged stockholders' and regulators' trust. Cavendish Asset Management (2002) found that due to the frauds and accounting issues at Enron and WorldCom, two-thirds of UK stakeholders lost their trust to invest in the stock markets. The usage of high-risk investment vehicles by huge financial institutions, such as securitized mortgages, has since been embroiled in debates, further reducing investor trust. Therefore, researchers have become keen to know more about how companies disclose information regarding risk management, intellectual property, social and environmental responsibility, and other topics.

These reservations are in line with the assertion made by several researchers (Linsley and Shrives, 2006; Abraham and Cox, 2007; Linsley and Lawrence, 2007; and Hassan, 2009), according to several researchers, risk disclosure is a crucial component of firm risks, where risk reporting provides better accountability and boosts investors' trust. As is clear, the global crises also caused the world economy to slow down, which raised the need for risk reporting. This prompted several regulatory changes, including the creation of BASEL II and the “International Financial Reporting Standard 7 - Financial Instruments”, which incorporates more stringent risk transparency and disclosure guidelines. Therefore, the present research focuses on IFRS 7 “Financial Instruments: Disclosure” compliance.

According to each nation's corporate governance code, the Gulf Cooperation Council (GCC) financial markets require all GCC listed companies to report information in the corporate governance report about their board of directors, audit committee, internal audit, earning quality, and other disclosure (Capital Market Authority, 2021). The relationship between principals (owners) and agents (management) is known as agency theory. In this theory, the principal delegated tasks to the agents with the presumption that the agents would act in favor of the principals (Mallin, 2007). According to Jensen and Meckling (1976), the existence of a separate entity between managers (agents) and shareholders (principals) causes the agency cost to increase with time. According to the agency theory, managers should provide pertinent information to show that their interests are consistent with those of the shareholders to reduce agency worries (Healy and Palepu, 2001). According to Barako et al. (2006), voluntary disclosure is a key tactic for cutting agency costs since it lets the market know that the firm is operating efficiently (Watson et al., 2002).

1.2 The research problem

Risk disclosure has received a lot of attention in the aftermath of previous financial crises. As a result, stakeholders have demanded that corporate risk be made transparent. Risk disclosure offers information to financial report users, allowing them to evaluate the risks influencing a business's future financial performance. There are limited studies in the GCC that examine the influence of the major set of variables linked to corporate governance systems components included in the current study, namely board characteristics and their impact on risk disclosure requirements in accordance with IFRS 7. Therefore, this link is not evident, particularly in the GCC stock markets, and the current study attempts to analyze this effect. As a result, whether the board of directors complies with IFRS 7 risk disclosure remains

debatable. Consequently, it is vital to analyze the board's influence on the degree of IFRS 7 compliance (risk disclosure).

1.3 Research questions

In light of the listed research problem, this study attempts to tackle the research problem by answering the main research question: To what extent do financial institutes listed in the GCC countries comply with the risk disclosure requirements of IFRS 7?

Additionally, to resolve the research problem, seven research questions are listed below:

- Is there any association between the board size and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between the board independence and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between board ownership and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between the board gender diversity and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between the number of board meetings and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between the educational qualification of board members and the compliance of risk disclosure requirements of IFRS 7?
- Is there any association between the board experience and the compliance of risk disclosure requirements of IFRS 7?

1.4 Research objectives

The main purpose of the current study is to investigate the impact of board characteristics (board size, board ownership, board gender diversity, board independence, number of board meetings, educational qualification of board members, and board experience) and the extent of compliance with the IFRS 7 (risk disclosure requirements), using a sample from GCC listed financial firms. The above main objective is divided into the following sub-objectives:

- To investigate the association between board size and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between board independence and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between board ownership and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between board gender diversity and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between the number of board meetings and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between the educational qualification of board members and the compliance of risk disclosure requirements of IFRS 7.
- To investigate the association between board experience and the compliance of risk disclosure requirements of IFRS 7.

1.5 The research importance

This study is expected to have an impact on practice since there are some of the researches assessing the effect of the board of directors' characteristics on risk disclosure compliance in different countries (Linsley and Shrives, 2006; Mokhtar

and Mellett, 2013; Ahmad et al., 2015; Moumen et al., 2016; Tauringana and Chithambo, 2016; Amrin, 2018; Agyei-Mensah, 2017; Nkuutu et al., 2020). As a result, to address a need in the accounting literature, this study draws on observational data from six emerging countries: Bahrain, the Kingdom of Saudi Arabia (KSA), Kuwait, Oman, Qatar, and the United Arab Emirates (UAE). Therefore, the current study's findings will certainly be a helpful resource for future research related to the influence of board characteristics on IFRS 7 risk disclosure in the GCC.

The present study varies from earlier studies in several ways: First, this research provides empirical evidence on IFRS 7 risk disclosure compliance practices for a three-year period (2018 - 2020) utilizing a sample of 621 firm observations from GCC countries. Second, the study contributes to the existing literature by enhancing research on the effect of all board characteristics on IFRS 7 risk disclosure compliance. Third, extensive testing of IFRS 7 risk disclosure categories are provided in Models 3, 4, 5, 6, 7, and 8.

The findings of this empirical analysis may be valuable to GCC investors, regulators, and others. However, it could help in the research of other emerging capital markets in the region by providing a wider understanding of the critical roles of board characteristics such as board size, board ownership, board gender diversity, board independence, number of board meetings, educational qualifications of board members, and board experience.

1.6 Research motivations

According to Easley and O'Hara (2004), and Kothari et al. (2009), financial risk disclosure is crucial because it improves transparency, which boosts investor trust

and reduces their doubt about future cash flows. It also makes it easier for businesses to receive external investment at a low cost of capital, which enhances capital market activity overall. Institutions are urged to report not just their operations but also the risks involved in them, as well as their risk management plan and capabilities (ICAEW, 1999). However, past research demonstrates that the inclusion of risk and uncertainty disclosure in financial reports suffers from major flaws and limitations (Cabedo and Tirado, 2004). The lack of proper risk disclosure available to investors was one of the primary causes of the 2007 global financial crisis. Due to the lack of risk disclosure, investors are unable to assess how well firms disclosed their risks (Rahman, 1998). Institutional investors believe that risk reporting in the UK is inadequate, according to Solomon et al. (2000). As a result, investors are unable to accurately evaluate a firm's risk profile, which prevents them from carefully considering the scope and types of risk while making investment choices (Linsley et al., 2008). It is important to look at the variables that affect risk disclosure in various contexts, especially developing markets like the GCC in this study. This lack of information related to risk disclosure in annual reports serves as a reminder of the need for more research.

1.7 The research structure

This research is divided into six chapters, as follows:

Chapter 1: Introduction

The present chapter begins with a brief introduction to the chapter's contents, followed by the identification of the research problem and the research questions, the answers to which resolve the research problem. Following that, a research aim and sub-objectives are presented. It also emphasizes the significance of the research and the motives for the research.

Chapter 2: The theoretical framework and background of GCC countries

This chapter starts with a brief review of the chapter's contents, followed by the study's theoretical framework, which includes a description of the associated theories for the present research including agency theory, signaling theory, and legitimacy theory. Furthermore, this chapter expands on the overall context of the GCC countries' corporate governance legislation.

Chapter 3: Literature review and hypotheses development

This chapter of this research begins with a brief introduction. The chapter is divided into three categories. The first category provides an overview of IFRS 7. The second category is about prior related research, which includes studies on board characteristics and risk disclosure. The third category focuses on the seven hypotheses developed in this chapter.

Chapter 4: The research methodology

This chapter displays the sample size chosen for the current study, as well as the data-gathering resources. It also shows all of the variables' measurements (dependent, independent, and control variables). Descriptive statistics (maximum, minimum, mean, and standard deviations), Pearson correlation, and Hierarchical Multiple Regression -HMR including 8 models are used in this study.

Chapter 5: Findings

This chapter begins with a brief introduction and discusses the study's statistical analysis. To test the study hypotheses, the current study use three types of statistics: descriptive statistics, Pearson correlation, and Hierarchical Multiple Regression (HMR).

Chapter 6: Conclusions and implications of the study

This chapter presents the study's results, significance, and mitigation of constraints in future research, and the possibilities of using the suggestions in future research.

1.8 Chapter summary

This chapter introduces the topic of investigation, which is the effect of the board characteristics on the extent of compliance with the IFRS 7 “Financial Instruments: Disclosure”. Furthermore, the chapter focuses on board actions as well as the research problem and its resolution by addressing seven research questions. Additionally, this chapter discusses the study objectives, significance, motives, and concludes with the study format.

Chapter Two: The Theoretical Framework and Background of GCC Countries

- 2.1 Introduction**
- 2.2 Disclosure theories**
- 2.3 Regulation of corporate governance in GCC**
 - 2.3.1 Bahrain**
 - 2.3.2 The Kingdom of Saudi Arabia**
 - 2.3.3 Kuwait**
 - 2.3.4 Oman**
 - 2.3.5 Qatar**
 - 2.3.6 United Arab Emirates**
- 2.4 Chapter summary**

Chapter Two

The Theoretical Framework and Background of GCC Countries

2.1 Introduction

Most of the previous research is focused on theories that explain market connections and interactions, evaluate data, and offer hypotheses for the underlying effects or causes of observed occurrences (Bacharach, 1989). The agency, signaling, and legitimacy theories are presented in this chapter as they pertain to the investigation of corporate information disclosure. The chapter also presents a summary overview of the stock markets and corporate governance laws and regulations in each of the six GCC countries.

2.2 Disclosure theories

The disclosure of financial information in company reports is explained using a number of theories including agency, signaling, and legitimacy theories.

Agency theory connects principals (owners) and agents (management), in which the principal assigned tasks to agents with the assumption that the agents would perform in the principals' best interests (Mallin, 2007). According to Jensen and Meckling (1976), the agency issue tends to grow because of the existence of a distinct entity among managers (agents) and shareholders (principals). Furthermore, it is argued that because there is a greater chance of separation between ownership and administration of the organization, the likelihood of conflict of interest between agents is larger which can influence business investment decisions and as a result,

the firm's performance will be affected negatively. It further states that in the absence of a shareholder and creditor-monitoring system, the manager is more likely to behave to their own greatest advantage by concealing or distorting key information or purposefully giving the market false information (Latham and Jacobs, 2000). The agency theory states that managers should offer relevant information to demonstrate that their objectives are similar to those of the shareholders in order to eliminate agency concerns (Healy and Palepu, 2001). It is stated that non-mandatory disclosure is an important strategy to lower agency costs (Barako et al., 2006), also informs that the firm is functioning effectively in the market (Watson et al., 2002).

The signaling theory is introduced to explain the market reaction. Myers and Majluf (1984) imply that managers are much more aware of a firm's true value than other investors, and managers can use such information to their advantage and firm performance strategy. As per Morris (1987), signaling theory is relevant to marketplaces with asymmetrical information. Aside from that, the signaling method to risk disclosure describes the acts of firm executives, including the company's owner, who share risk information. The disclosure of risk is a necessary activity in the firm to lower the company's expenses (Linsley and Shrives, 2006) and to assist financial reports users in assessing existing and future risks in order to maximize profit (Abraham and Cox, 2007). In financial reports, managers should provide sufficient details to transmit precise signals to present and prospective investors. Because managers who provide false signals would be penalized, investors trust this type of communication (Hughes, 1986).

From earlier research, it is noted that signaling theory, which is underpinned by agency theory and asymmetrical information, is used to explain how risks are disclosed to investors (Abraham and Cox, 2007; Vandemaele et al., 2009;

Elshandidy et al., 2013). Information asymmetries between the parties are minimized when management agrees to share risk disclosure to reduce agency disputes. However, internal management may occasionally decide to report certain risk disclosure to differentiate themselves from the competition and demonstrate their competence and capacity to manage risks. This decision might result in a better reputation and some financial advantage.

As per the legitimacy theory, voluntary disclosures are a portion of a legitimization procedure, and there is an underlying agreement between the firm and society (Gray et al., 1995). Companies need to disclose all relevant social, environmental, and economic concerns in order to prove that they have fulfilled their contractual obligations and complied with societal values. According to legitimacy theory, in order to preserve a long-term connection with its stakeholders the corporation should disclose all of its operations (Freeman, 1994). According to Shocker and Sethi (1974), the legitimacy theory assumes that businesses demonstrate their legitimacy by releasing important data in the yearly report, which is based on the concept of a contractual relationship between a corporation and its shareholders.

The focus of this empirical investigation is on how corporate governance characteristics especially characteristics related to the board of directors affect risk disclosure. While several studies are examined how corporate governance influences disclosure in established nations, few have looked at how it affects risk disclosure in emerging markets. The current study looks at how board characteristics affect risk disclosure procedures in the GCC in an effort to minimize this gap and may add to the literature.

2.3 Regulation of corporate governance in GCC

Assuring useful financial reporting for a company is one of the most important roles of corporate governance. Interaction amongst corporate governance stakeholders is required to achieve this aim. This chapter's section on corporate governance provides more information on the issued codes of corporate governance and an overview of listed firms in the stock exchanges of the six GCC countries [Bahrain Stock Exchange (Bahrain Bourse), Saudi Stock Exchange Company (Tadawul), Kuwait Stock Exchange (Boursa Kuwait), Muscat Securities Market (MSM), Doha Securities Market (Qatar Stock Exchange), Abu Dhabi Securities Exchange (ADX), and Dubai Financial Market (DFM)].

The GCC was founded in 1981 and initially consists of six countries (Bahrain, KSA, Kuwait, Oman, Qatar, and the UAE). These countries are similar in terms of their religion, language, political system, culture, and customs. These countries are categorized as wealthy because of their oil reserves, and the Kingdom of Saudi Arabia is the world's highest oil exporter (International Finance Corporation, 2008).

2.3.1 Bahrain¹

Bahrain is known as one of the most emerging markets in the Middle East and North Africa, as well as one of the world's most important global financial hubs. The Bahrain Stock Exchange (BSE), which first started operating in 1989, has seen a tremendous increase in the number of listed stocks, now totaling 49. (Baena, 2011). Royal Decree No. 60 decreed the formation of Bahrain Bourse to replace BSE. This action is made to align the bourse's capacity to satisfy current administrative requirements of commercial criteria and international exchanges deemed required to

¹ All data is sourced from the Ministry of Industry, Commerce, and Tourism's website (<https://www.moic.gov.bh>).

keep up with the fast changes seen in modern stock markets. Bahrain Bourse became a member of the Association of National Numbering Agencies in 2010.

In Bahrain, there is no local GAAP. Financial statements should be prepared in agreement with international accounting standards (IFRS) by all businesses (MOIC, 2018). According to the Bahrain Commercial Companies Law, each listed firm must provide the following statements: a balance sheet statement, a profit-and-loss statement, and a director's report for every financial year.

Article 286 of the Bahrain Commercial Companies Law of 2001 stipulates that all Bahraini-incorporated businesses must maintain proper accounting records, start preparing their balance sheet, and income statement, and report on their operations and financial position within three months of the end of each fiscal year, along with suggestions for how to distribute their profits. (CBB Rulebook, 2001). Also, all financial reports should accurately depict the company's financial position.

The corporate governance code in Bahrain presents guidelines related to board characteristics. Firms should have at least three (3) members on their board of directors for closed joint stock companies and a minimum of five (5) directors for public joint stock companies. The board members should not be more than fifteen (15) members. The board of directors must always have one (1) independent director. Each director's status as an executive, non-executive, or independent director should be reported in the annual corporate governance report. The directors must include experienced individuals so that the rest of the directors can benefit from their skills and experience. The board of directors shall meet on a regular and periodic basis, but not less than four (4) times every fiscal year.

2.3.2 The Kingdom of Saudi Arabia²

The Saudi Arabian Capital Market Authority established the Saudi Arabian Corporate Governance Code (SACMA) in 2006. This occurred following the worst financial failure in Saudi history, the collapse of the Saudi Stock Exchange in early 2006. The KSA corporate governance code was revised in 2009 and became required for all publicly listed corporations in 2010 with a "comply-or-explain" status. This implies that businesses need either comply or provide an explanation for non-compliance. Nevertheless, the Saudi corporate governance legislation was revised once again in 2017. According to the Saudi Organization for Chartered and Professional Accountants (SOCPA) Regulation, which is established in response to Cabinet Resolution No. 416 of 2021, SOCPA is the organization that establishes accounting standards for all businesses governed by the Ministry of Commerce.

The IASB's IFRS and some of the standards that have SOCPA's requirements and disclosures are considered the "certified" standards. SOCPA has backed a number of standards and technical releases for issues that IFRS does not address, such as the Zakat (religious tax/obligation) topic.

To implement monetary policy, SAMA has used a variety of regulatory measures that are consistent with worldwide banking practice (Friedman, 1999). SAMA has taken further steps to make sure that local banks have sufficient capital. Since January 1, 2008, Saudi banks have used the updated Basel II capital accord's standardized approach to credit and operational risks. Between 2001 and 2009, banks are anticipated to gradually transition to internally ratings-based techniques

² All data is sourced from the Saudi Arabian Capital Market Authority Website (<https://cma.org.sa>).

for calculating regulatory capital adjustments for lending activities after gathering credit risk data under the sponsorship of the Saudi Credit Bureau (SAMA).

The corporate governance code in KSA presents guidelines related to the board characteristics. Firms should have at least three (3) members on their board of directors. The directors should not be more than eleven (11) members. The board of directors should always have at least two (2) independent members or one-third (1/3) of the board members, whichever is greater. A board member must possess the necessary academic credentials, professional and personal skills, practical business experience relevant to the company's current and future operations, an understanding of governance, law, accounting, management, and economics, as well as a willingness to learn more. The board must meet a minimum of four (4) times annually and at least once every three months.

2.3.3 Kuwait³

In 2010, Kuwait's corporate governance code was developed by the Capital Standards Rating Agency (CSR) in response to the market's earlier collapse because of a lack of restrictions. In addition, the Capital Markets Authority (CMA) was founded in 2013 with the goal of enforcing corporate governance standards for corporations. The corporate governance code has been applied in a "conform-or-explain" setting, which means that corporations must either comply or explain why they are not complying. Before enforcing the execution of the corporate governance code, all listed corporations on the Boursa Kuwait were given a two-year grace period (from 2014 to 2015).

³ All data is sourced from Kuwait Capital Markets Authority Website (<https://www.cma.gov.kw>).

Kuwait does not require a statutory accounting system. Nevertheless, companies should adhere to International Financial Reporting Standards. The Gulf Cooperation Council is debating accounting system harmonization and unification projects, as well as their presentation. All listed firms have been required to use IAS/IFRS since the early 1990s (Kuwaiti Company Law No. 1, 2016). The Kuwait Stock Exchange (KSE) mandates all registered businesses to submit quarterly financial statements and 45 days after the end of each quarter, organizations must provide all pertinent information regarding their operations (Al-mujamed et al., 2017).

Companies who want to list on the Kuwaiti stock exchange must submit accounting papers. Before their initial public offering, they must have issued their audited accounting reports for the previous two years. The structure and net profit of these financial statements must be shown. However, before issuing its approval, the Kuwait Stock Exchange's Council of Directors may require further information. All listed firms in the Kuwait Stock Exchange must publish their audited financial statements, including the entire balance sheet and profit and loss report, within three months of the fiscal year's conclusion. They must also disclose their periodic financial accounts within two months of the conclusion of their fiscal term.

Kuwait's corporate governance legislation has provided criteria for board characteristics. The number of members on the board of directors should be specified in the company's articles of incorporation, but it should not be less than five (5) members. The majority of the board of directors' members should be non-executives, and independent members should be included if their number does not exceed half the number of board members, and independent members are not obliged to be shareholders of the firm. A board member should have appropriate credentials,

experience, and technical capabilities for the company's activities. The board of directors shall meet not lower than six (6) times every year.

2.3.4 Oman⁴

The Omani code of corporate governance originated in 2002, and it was the first country in the GCC to implement corporate governance. The Sultanate of Oman's Capital Market Authority established the corporate governance code, which was amended in 2003. They applied the rules to all listed businesses in MSM with a "conform-or-explain" status, which implies firms must either comply or provide a rationale for non-compliance. They updated the existing Omani corporate governance code with a new law in 2015.

All enterprises in Oman are required to use International Financial Reporting Standards (IFRS). Consequently, in line with IFRS, the Central Bank of Oman requires regulated banks to submit an annual report. The financial position statement, income statement, statement of changes in equity, cash flows statement, and notes to the financial statements are the most important financial papers in Oman. Companies that issue securities for public subscription should make annual, semi-annual, and quarterly reports to the CMA on their operations and results of business, which must contain statements about the company's good financial status. Companies must also report a detailed summary of these reports in two daily publications, at least one of which must be in Arabic.

The corporate governance code in Oman has presented guidelines related to board characteristics. Each corporation has to be managed by a strong board of

⁴ All data is sourced from the Sultanate of Oman Capital Market Authority Website (<https://cma.gov.om>).

directors in order to administer the company, oversee its operations, and govern its business. The success of the firm over the long term will be jointly responsible to the board of directors. Without interfering with the senior management's day-to-day operations, the board of directors must work with them to achieve the company's goals. In all situations, the top management must be accountable to the board of directors. Non-executive directors must make up the entirety of the board. The number of independent directors must be at least two (2) board members and cannot be less than one-third ($1/3$) of the total number of board members. A board member's personal and professional behavior must be characterized by high ethical and integrity standards. The board must meet at least four (4) times per year.

2.3.5 Qatar⁵

Qatar established the Qatar Financial Markets Authority's corporate governance code in 2009, which was later revised in 2017. It has been implemented on a "comply-or-explain" basis, which implies that enterprises must either comply or provide an explanation for non-compliance.

In Qatar, all listed firms must generate consolidated and separate firm financial statements "in conformity with the accounting rules recognized worldwide," according to Commercial Law No. 5 of 2002. The Qatar Financial Markets Authority's regulations describe this as IFRS Standards.

All accounting records, registers, and documentation linked to Qatari activities must be kept in Qatar for a period of 10 years. The Commercial Businesses Law 11/2015 mandates public shareholding companies to produce financial

⁵ All data is sourced from Qatar Financial Markets Authority Website (<https://www.qfma.org.qa>).

accounts for the Ministry of Economy and Commerce in accordance with IFRS and IAS. Financial statements for publicly traded firms should be published 15 days prior to their annual shareholders' meeting in two local newspapers (one in Arabic and one in English) and on their website. Accounting records must be kept by all businesses (including PSCs, LLCs, and LPCs) in line with the International Accounting Rules Board's standards (IASB).

The corporate governance code in Qatar has presented guidelines related to the board characteristics. The board member must be qualified, with adequate administrative knowledge and necessary experience, to fulfill its responsibilities successfully, and must commit sufficient time to do its work with honesty and transparency in order to meet the company's interests, aims, and objectives. At least one-third (1/3) of the board members must be independent, and most of the board members should be non-executive. The board should hold at least six (6) meetings every year, and no more than three months must pass without a meeting.

2.3.6 United Arab Emirates⁶

The Dubai government established the DFM as a public entity with its legal board of directors in the year 2000. The ADX was established by the Abu Dhabi government towards the end of the year 2000. Both markets, DFM and ADX, are overseen and regulated by the UAE Securities and Commodities Authority (SCA). In 2005, NASDAQ Dubai was founded to facilitate the trading of foreign equities, and it is regulated and overseen by the Dubai Financial Services Authority (DFSA) utilizing worldwide standards, principles, and laws similar to those adopted by the

⁶ All data is sourced from UAE Securities and Commodities Authority Website (<https://www.sca.gov.ae>).

SEC in the United States. The SCA published the corporate governance code in 2007, and it was revised in 2009.

In June 2009, the UAE Central Bank issued a corporate governance guideline that only UAE banks may use. There are two sets of laws in the UAE that govern banks' financial accounting processes. First, the UAE central bank establishes laws guiding the creation of financial reports in accordance with the IFRS (Hussain et al., 2002). All financial and non-financial enterprises in the UAE are expected to fulfill IFRS 7 (financial instruments disclosure). Therefore, they are all under obligation to submit risk information, along with other segment reporting and contingency rules (Hassan, 2009).

Second, the Emirates Securities and Commodities Authority (ESCA) establishes registration requirements, as well as disclosure and transparency regulations (UAE Federal Law No. 4 of 2000), and urges capital market registrants to maintain a suitable level of openness and to publish risk information in order to boost investor confidence. The later ESCA amendments compel potential registrants to disclose, among other things, unforeseen situations and any major development influencing the pricing of the firms' securities in their financial reports (Hassan, 2009).

The ESCA issued a code of corporate governance in 2007 that requires all publicly traded companies and organizations as well as the members of their boards of directors, to adhere. The code's objectives include encouraging organizations to implement excellent corporate governance practices and publishing their corporate governance reports for the benefit of all shareholders.

The corporate governance code in the UAE has presented guidelines related to board characteristics. A board must have a minimum of seven (7) members and a maximum of eleven (11) members. All board members should be non-executive, with at least one-third ($1/3$) of them being independent. The board's composition must be suitably diversified. The board as a whole must be familiar with all of the company's major operations. The board should have an adequate mix of skills, diversity, and expertise in proportion to the company's size, complexity, and risk profile. The board should meet at least six (6) times each year.

The following is a summary of GCC corporate governance regulations related to board characteristics:

Table 1: A summary of GCC corporate governance regulations related to board characteristics

Board characteristics	Board size	Board independence	Board experience	Board meeting
Bahrain	A minimum of three (3) and a maximum of fifteen (15) members	A minimum of one (1) independent directors	Must include experienced individuals so that the rest of the directors can benefit from their skills and experience	At least four (4) meetings every year
KSA	A minimum of three (3) and a maximum of eleven (11) members	A minimum of two (2) independent directors or The percentage of independent board members must be at least one-third (1/3)	Must possess the necessary academic credentials, professional and personal skills, practical business experience	At least four (4) meetings every year
Kuwait	At least five (5) members	Not exceed half the number of the board members	Must have appropriate credentials, experiences, and technical capabilities for the company's activities	At least six (6) meetings every year
Oman	-	A minimum of two (2) independent directors or The percentage of independent board members must be at least one-third (1/3)	Must be qualified, with adequate administrative knowledge and necessary experience	At least four (4) meetings every year
Qatar	-	The percentage of independent board members should be at least one-third (1/3)	Must be qualified, with adequate administrative knowledge and necessary experience	At least six (6) meetings every year
UAE	A minimum of seven (7) and a maximum of eleven (11) members	The percentage of independent board members must be at least one-third (1/3)	Must have an adequate mix of skills, diversity, and expertise in proportion to the company's size, complexity, and risk profile	At least six (6) meetings every year

2.4 Chapter summary

This chapter presents three related theories in accounting. The agency, signaling, and legitimacy theories are explored as a theoretical framework that gives strong support to investigate reasons and determines the IFRS 7 risk disclosure compliance in the GCC countries, in order to fulfill the goal of the present study. It examines how risks are revealed to investors and the relationship between certain elements of

corporate governance and financial performance using agency theory, signaling theory, and legitimacy theory. As a result, the next chapter's research hypotheses and chapter five's interpretation of the findings both draw on the agency, signaling, and legitimacy theories. The background of the stock markets in the six GCC countries, as well as information on their corporate governance regulations and financial reporting standards, are also included in this chapter.

Chapter Three: Literature Review and Hypotheses Development

- 3.1 Introduction**
- 3.2 Overview of International Financial Reporting Standard 7**
- 3.3 Board characteristics and risk disclosure**
- 3.4 Hypothesis development**
 - 3.4.1 Board size**
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Chapter Three

Literature Review and Hypotheses Development

3.1 Introduction

This chapter aims to further explain the idea of IFRS 7 risk disclosure compliance and how it relates to board characteristics. The study hypotheses are presented in this chapter after a review of previous research on board features and their effect on risk disclosure. Reviewing pertinent literature has the goal of presenting viewpoints and ideas from prior researchers that are related to the study's focus and help create its hypotheses. The link between corporate governance traits and their influence on risk disclosure is the subject of several prior studies. The current study, however, shows a wide variety of findings, with some researchers discovering a favorable relationship between certain board characteristics and risk disclosure; while others report the opposite, which is an unfavorable relationship between some board characteristics and risk disclosure. Additionally, some researchers discover that several board traits had no connection to risk disclosure.

The chapter is broken down into three categories. The first category defines and explains the terms used in IFRS 7. The second category discusses the literature's results and arguments about board characteristics and their impact on risk disclosure. Finally, the third category discusses the formulation of hypotheses that address the study objectives.

3.2 Overview of the International Financial Reporting Standard 7

In August 2005, the IASB released IFRS 7 “Financial Instruments: Disclosures”. This new standard replaced the previous International Accounting Standard “IAS 30” for banks and similar financial institutes and that due to the change of entities’ methodologies for evaluating and controlling their exposure to a financial instrument, and new risk management perceptions and methods have gained recognition. Furthermore, a number of companies in the public and private sectors effort suggest changes to the risk disclosure system for financial products.

As a result, the IASB determined that the disclosures in IAS 30 “Disclosures in the Financial Statements of Banks and Similar Financial Institutions” and IAS 32 “Financial Instruments: Disclosure and Presentation” needed to be revised and improved. In IAS 32, the board deleted redundant disclosures and simplified the disclosures concerning risk concentrations, credit risk, liquidity risk, and market risk as part of this change. On January 1, 2007, IFRS 7 was effective. The objective of IFRS 7 is to make financial instrument disclosure more transparent. It encourages institutions to include these types of statements in their annual reports so that users can assess the value of these instruments for their financial position (section IN1-IN8 of IFRS 7).

IFRS 7 is broken into two parts. The importance of financial instruments for financial status and performance is discussed in the first part. The second part is concerned with the type and amount of risks resulting from financial instruments and how these risks are handled. The second part of IFRS 7 is the subject of this study's research analysis.

The disclosure of qualitative and quantitative data on exposures to financial instrument risks, such as information on credit risk, liquidity risk, and market risk, is required by IFRS 7. The qualitative disclosure gives an overview of the management's goals, plans, and techniques for handling certain risks. The quantitative disclosure reveals the degree of risk that the company is exposed to and is based on information that is given privately to the company's senior management members. Together, these two forms of the disclosure provide a summary of the entity's use of financial instruments and the risks associated with it.

3.3 Board characteristics and risk disclosure

The present study focuses solely on one of the corporate governance mechanism factors (board characteristics) that aims to adopt a reasonable policy in devolving to executive management, and the delegation of authority regulations shall cover a variety of financial, managerial, employee affairs, and other functions required to maintain and run the organization efficiently. While many researchers examine individual aspects of corporate governance, such as the independence of the board of directors and ownership structure (Konishi and Ali, 2007; Deumes and Knechel, 2008; Agyei-Mensah, 2017), only a few studies examine corporate governance characteristics effect on the disclosure of risk in advanced economies (Abraham and Cox, 2007; Elzahar and Hussainey, 2012; Al-Shammari, 2014).

Mokhtar and Mellett (2013) test the level of mandated and optional risk reporting in Egyptian annual reports. In addition, the impact of competitiveness, corporate governance, and ownership structure on risk reporting procedures is discussed. To examine the extent of risk reporting and study possible risk reporting variables, the sample comprises annual reports from 105 publicly traded businesses for 2007. For the dependent variable, an unweighted disclosure identified in the

study on the Egyptian Accounting Standards (EAS) 25 is employed to quantify the degree of mandated risk reporting, and a content analysis - sentence method - is utilized to categorize optional risk reporting. The researchers test some major elements for the independent variables: corporate governance, competition, firm-specific characteristics, and ownership structure. Multiple regression analysis is utilized to measure the interaction of competitiveness, corporate governance, firm-specific characteristics, ownership structure, and risk reporting. The data shows that there is a weak level of compliance with obligatory risk disclosure requirements. A modest level of optional risk reporting is suggested, with a preference for providing backward-looking and qualitatively risk disclosure rather than forward-looking and quantifiable risk disclosure. According to the findings of the study, competitiveness, ownership concentration, board size, role duality, and audit firm type are important factors of risk reporting methods in Egypt.

Collins et al. (2013) study whether the degree of firm-level corporate governance has any influence on the quality and degree of business risk disclosure in South Africa before and after the 2007/2008 global financial crisis. The sample consists of 169 non-financial enterprises registered on the Johannesburg Stock Exchange (JSE), with data covering the years 2002 to 2011 (9 years' analyses). For the dependent variable, the researchers use the summary corporate risk disclosure scores. For the independent variables, seven corporate governance factors are tested which are gender diversity, the proportion of ordinary shares owned by shareholders, independent non-executive directors, board of director's size, CEO duality, government ownership, and proportion of ordinary shares owned by institutional shareholders. Also, there are eleven control variables tested as follows: auditor type, capital expenditure, corporate governance committee, foreign stock market, corporate social responsibility committee, profitability, firm size, leverage, risk, net

sales, and industry type. The amount of business risk disclosure is found to be favorably connected with board diversity, independent non-executive directors, and board size, whereas institutional ownership and block ownership are found to be adversely correlated. Contrarily, no clear connection exists between the scope of business risk reporting and the dual board leadership arrangement.

Al-Shammari (2014) examines the connection between corporate governance frameworks and corporate risk reporting in annual reports for 109 Kuwaiti registered non-financial enterprises in 2012. The research utilizes a manual text method to quantify risk disclosure by counting the frequency of risk-related phrases in annual reports. The researcher codes the dependent variable using the sentences approach. For the independent, the researcher investigates five factors of corporate governance mechanisms, which are board size, role duality, non-executive directors on the board, audit committee, and family members on the board. In addition, five control variables are used: profitability, firm size, leverage, audit firm type, and industry type. The influence of the percentage of family members on the board, the board size, non-executive directors, audit committee, and role duality on corporate risk disclosure is tested using multiple regression analysis. According to the findings, bigger board size has a favorable influence on business risk disclosure. However, the data also shows that the presence of role duality resulted in a lesser risk disclosure. Other corporate governance tools are unable to account for variations in company risk disclosure.

Ahmad et al. (2015) test the connection between board characteristics, risk management, and the level of internal control disclosure by Malaysian publicly traded enterprises. The study sample comprises 150 listed companies on the Bursa Malaysia Main Market in 2013. An unweighted disclosure index is employed to

measure the dependent variable. The researchers employ three board characteristics for the independent variables which are independent non-executive directors, board expertise, and gender diversity. This study includes four control variables: leverage, type of auditor, firm size, and type of industry. The connection between the dependent variable of risk management reporting and the independent variables of independent non-executive directors, board expertise, and gender diversity is investigated using regression analysis. The study finds that Malaysian publicly listed businesses have strong disclosure compliance and that characteristics of the board are efficient in monitoring internal controls and risk management disclosure. According to the findings of this study, independent non-executive directors and board of directors with financial knowledge have a favorable association with risk management disclosure level. Gender diversity, on the other hand, does not influence on risk disclosure levels in Malaysia.

Moumen et al. (2016) investigate how board features influence businesses' willingness to share relevant information about their risk profiles voluntarily. This study's sample comprises 320 publicly traded enterprises in nine MENA developing economies (789 observations) from 2007 to 2009. The research employs the manual technique for the dependent variable and employs the phrase as the text unit. For the independent variables, the researchers test three board characteristics which are board size, the CEO/Chairman role duality, and board composition. Four control variables (industry type, profitability, financial leverage, and company size) are used. The regression model is used in this study to analyze the amount of revealed future earnings news that has been incorporated into the present stock performance. The regression model is utilized in this study to determine how much information about forthcoming profits has already been included in stock returns. The researchers determine that the composition of the board and board size would improve the

formativeness of risk disclosure by enabling investors to accurately forecast future profit growth. Another result is that the degree to which investors believe risk disclosure is unaffected by a CEO/Chairman duality.

Al-Maghzom et al. (2016) evaluate the relationship between corporate governance and the characteristics of senior management teams in relation to the factors that determine non-mandatory risk reporting procedures in registered banks. From 2009 to 2013, the degrees of risk disclosure in all Saudi registered commercial banks are measured in this study using manual text analysis. The total sample of this study is 12 listed banks in KSA. The researchers utilize a risk index to measure the level of risk disclosure as the dependent variable. Eight corporate governance characteristics, including board size, non-executive directors, external ownership, internal ownership, independent directors, audit committee meetings, audit committee independence, and audit committee size, are studied for the independent variables. Additionally, four demographic traits are employed (education, tenure, gender, and diversity). Five control variables are employed in this study: leverage, bank size, profitability, liquidity, and dividend payment. Additionally, it examines how demographic characteristics and corporate governance interact to affect risk disclosure using the basic least squares regression model. The research results demonstrate that external ownership, gender, bank size, audit committee meetings, firm profitability, and board size are the key predictors of voluntary risk disclosure policies in KSA listed banks. The other independent variables, which include demographic characteristics and corporate governance frameworks, have an insignificant association with the voluntary risk disclosure policies in KSA registered banks.

Agyei-Mensah (2017) investigates the extent, quality, and factors that influence how well enterprises registered on the Ghana Stock Exchange comply with IFRS 7 when disclosing risks. The sample includes 90 firm-year observations from 2011 to 2013. (Three years' analyses). The researcher uses each annual report, which is individually evaluated and entered for the dependent variable that determines the amount and quality of the business risk disclosure index. Five factors (block ownership concentration, non-executive board of directors, board size, institutional ownership, and audit committee independence) are chosen as the independent variables. The researcher also employs five control variables: business size, auditor type, firm profitability, leverage, and liquidity. To give the background data of the variables evaluated, descriptive statistics are carried out. This study's primary data analysis, regression analysis, is carried out. The study discovers that, on average, only 53 percent of annual reports are in accordance with IFRS 7, which is low, and that only 33 percent of those annual reports are of a high enough standard to be disclosed. The findings of the regression indicate that the proportion of non-executive directors is considerably and favorably correlated with the degree of compliance with IFRS 7's risk disclosure requirements. The amount and quality of risk disclosure compliance are shown to be strongly and positively correlated with board size.

Amrin (2018) explores the connections among corporate governance, risk disclosure procedures, and the characteristics of business organizations. At the end of 2014, 312 non-financial firms registered on the Indonesia Stock Exchange are among the sample utilized in the research. The researcher utilizes the risk model to predict the dependent variable, which is based on a previous model created by the Institute of Chartered Accountants in England and Wales (ICAEW). For the independent variables, seven variables are used in this research which is as follows:

the size of the audit committee, the educational background of the president director, the number of audit committee meetings, the quality of the external auditor, the status of the company entity, risk monitoring/management committee, the age of the company, and leverage. Regression analysis is conducted to test the hypotheses. According to the study, there is a strong connection between corporate risk disclosure practices and the existence of risk monitoring or risk management committees, the size of the audit committee, and the quality of external auditors. These empirical findings demonstrate that the key factors of the degree of risk disclosure, particularly for non-financial businesses registered on the Indonesia Stock Exchange, are the quality of external auditors, the existence of a risk monitoring committee, and the audit committee size. This study also demonstrates how corporate risk disclosure policies are negatively impacted by the age of company entities.

Salem et al. (2019) study the possible effect of corporate governance measures on the quality of risk disclosure in Tunisia. From 2008 to 2013, the sample included 152 annual reports from non-financial listed Tunisian enterprises (Five years analyses). The researchers employ the manual content analysis approach as the dependent variable to evaluate the risk disclosure quality. Researchers look into five aspects of corporate governance procedures as independent variables. First, ownership structure: institutional ownership, concentrated ownership, managerial ownership, government ownership, and family ownership. Second, board characteristics: board independence, CEO duality, the board size, the presence of women on the board, and the presence of family members on the board. Third, audit committee characteristics: audit committee independence, and audit committee size. Fourth, the type of auditor. Fifth, the corporate risk disclosure and revolution. The study finds that Tunisian businesses had relatively poor risk disclosure standards.

Additionally, it is shown that institutional ownership, the board of directors' independence, the participation of women on the board, the existence of family members on the board, and the audit committee independence are all positively correlated with risk disclosure quality. The quality of risk disclosure is negatively impacted by managerial ownership. The study also discovers that the revolution decreases the impact of audit committee size, family ownership, government ownership, and concentrated ownership on the quality of risk disclosure.

Nkuutu et al. (2020) investigate the effect of board governance qualities and processes, such as board activities, independent directors, board communications, and board competence, on risk disclosure compliance across Ugandan financial institutions. The research uses a cross-sectional approach, with a sample being gathered from 83 audited financial statements of financial institutions and a questionnaire survey. The researchers employ an existing scale created by Taurigana and Chithambo (2016) in accordance with mandated risk reporting with a voluntary risk reporting scale based on Hassan (2014) for the dependent variable. For the independent variables, five board governance qualities are tested which are board governance quality, board activities, board of directors' independence, board communication, and board experience. Moreover, the study uses six control variables, which are industry type, ownership type, firm size, firm age, number of branches, and board size. To test the hypotheses, the authors use SmartPLS32.7, a partial least square structural equation modeling technique. The authors conclude that Ugandan financial institutions have low compliance with risk disclosure requirements. The study also discovers a positive connection between risk reporting compliance and the effectiveness of the board of directors. Furthermore, the authors discover that board activities, board of directors' independence, board communication, and board knowledge are all positively and significantly correlated

with risk disclosure compliance. Additionally, the researchers discover that the type of ownership, company size, and board size have a positive and significant relationship with the amount of risk disclosure compliance. However, the relationship between risk disclosure compliance and industry type, the number of branches, and company age are insignificant.

Researchers suggest several corporate governance characteristics and investigate their relationship with risk disclosure. Specifically, this study examines seven board characteristics (gender diversity on the board, board size, board independence, educational qualifications of board members, board experience, number of board meetings, and board ownership) that are mostly not used in any of the previous studies. Previous research has not examined these characteristics as a set of independent factors in a single study, especially in the GCC area.

Considering the above, in various aspects, the current study varies from earlier studies: First, this research presents empirical data on IFRS 7 risk disclosure compliance utilizing a sample of 621 observations from six GCC countries. Second, to the best of the researcher's knowledge, this is the most recent study that tests the association between a number of board characteristics and the extent of compliance with the IFRS 7 in all GCC countries. Additionally, the results of the current research may be used to benefit investors and regulators in the GCC stock markets.

3.4 Hypothesis development

As the study's major goal is to examine the connection between a number of board characteristics and the extent of compliance with the IFRS 7 "Financial Instruments: Disclosure" by listed financial firms in GCC countries, seven board characteristics are chosen in this study as having the ability to affect risk disclosure practices. The

selection of these seven independent variables is based on previous studies discussed earlier in this chapter. The seven research hypotheses are outlined in the chapter's following section:

3.4.1 Board size

Risk management is a crucial factor for the board of directors. Therefore, the board plays a critical part in risk disclosure. As a result, annual reports are more likely to include more risk information. Larger board members may have more motivations to convey their risk management effectiveness to shareholders, as per signaling theory. Also, according to the theory of agency, larger board members contain a wider range of business experience, resulting in greater efficacy in the board's monitoring function and improved corporate responsibility and disclosure (Singh et al., 2004). Previous risk disclosure research yielded mixed outcomes. Lajili (2009) discovers a favorable connection between board size and business risk disclosure. Sheila et al. (2011) find that businesses with a larger board of directors are more monitoring management conduct in order to address internal control concerns and increase disclosure. It is shown that directors on larger boards tend to have a diverse set of skills, which is advantageous to the organization. In addition to Mokhtar and Mellett (2013), and Collins et al. (2013) find a substantial positive relationship between board size and risk reporting. Also, Al-Shammari (2014) shows that board size is positively connected with credit risk disclosure. According to Moumen et al. (2016), increasing board size would make risk disclosure more formative by allowing investors to more precisely predict future profit growth. Agyei-Mensah (2017) studies the connection between corporate governance mechanisms and IFRS 7 compliance and found that there is a connection between board size and the level of risk disclosure compliance.

It may be claimed that having a larger board means having more resources available for distribution. However, Beasley et al. (2005) and Elzahar et al. (2012) find irrelevant results related to the board size. In addition, companies in the United Kingdom prefer a smaller board since a larger board is more difficult and hierarchical, resulting in less communication between the two sides (Guest, 2008). Al-Maghzom, et al. (2016) study the relationship between corporate governance and risk disclosure and present that there is a negative significant relationship between board size and voluntary risk disclosure. Agyei-Mensah (2017) states that there is no relation between board size and the quality of risk disclosure compliance. Also, Salem et al. (2019) find a negative insignificant connection between the board size and the quality of risk disclosure.

In accordance with several previous studies (Lajili, 2009; Sheila et al., 2011; Mokhtar and Mellett, 2013; Al-Shammari, 2014; Collins et al., 2013; Moumen et al., 2016; and Agyei-Mensah, 2017), the following research hypothesis is formulated:

H1: There is a significant positive association between board size and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.2 Board independence

The board composition will most likely improve compliance with the reporting guidelines, as the goal of IFRS 7 is to enhance the data accessible to shareholders by involving the requirement of information that allows users to assess the importance of financial measures for the business's financial performance and position. Board composition is frequently used to define in terms of the proportion of independent directors to dependent directors or non-executive directors to executive directors (Hermalin and Weisbach, 2003; Ayuso and Argandona, 2007). In terms of corporate

governance, an independent director is a board member who has no substantial link with the company, does not serve on the executive team, and is not engaged in day-to-day activities. They serve as a control mechanism while also performing an independent monitoring role. Fama and Jensen (1983) claim that the existence of independent directors on the board might lower agency conflicts between shareholders and managers. According to the literature, the percentage of independent board members is crucial in understanding the company's performance. Song and Windram (2004) and Uzun et al. (2004), discover that independent board committees reduce both financial fraud and concerns with financial reporting. The majority of the researchers suggest that the proportion of independent directors on the board enhances voluntary disclosure (Chen and Courtenay, 2006; Patteli and Prencipe, 2007; Donnelly and Mulcahy, 2008; and Navarro and Urquiza, 2015). Ahmad et al. (2015) report that independent non-executive directors have a positive connection with the degree of risk management transparency. According to Moumen et al. (2016), the board's composition would improve the formativeness of risk disclosure by allowing stakeholders to more precisely predict future profit growth. Salem et al. (2019) find that board independence is positively correlated with risk disclosure quality. According to Nkuutu et al. (2020), there is a substantial and positive connection between board independence and risk disclosure compliance.

Nevertheless, according to Ho and Wong (2001), the theory of agency does not presume that all members of the board of directors increase responsibility and reporting and they show an insignificant positive association between the percentage of independent directors and the level of voluntary disclosure. Having a larger member of independent directors reduces voluntary disclosure (Eng and Mak, 2003; Barako et al., 2006). Moreover, Abraham and Cox (2007) and Deumes and Knechel (2008) find no substantial association between non-executive directors and risk

disclosure in their empirical studies. There is no link between non-executive directors and risk disclosure, according to Elzahar and Hussainery (2012), and Ismail and Abdul Rahman (2012). Al-Maghzom et al. (2016) report that independent directors have an insignificant link with voluntary risk disclosure in KSA registered banks. Moreover, Agyei-Mensah (2017) discloses no connection between the number of independent directors and the level of risk disclosure compliance.

In accordance with several previous studies (Chen and Courtenay, 2006; Patteli and Prencipe, 2007; Donnelly and Mulcahy, 2008; Navarro and Urquiza, 2015; Ahmad et al., 2015; Moumen et al., 2016; Salem et al., 2019; and Nkuutu et al., 2020), It is possible to hypothesize that:

H2: There is a significant positive association between board independence and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.3 Board gender diversity

From the standpoint of agency theory, one may argue that gender does not effect on the efficacy of a company's board of directors. However, the classical organizational theory contends that demographic factors of top management, such as gender, might impact strategic decision-making. By contributing new viewpoints and perspectives to the decision-making process, female directors' help improve decision-making. Gender diversity on boards of directors is an operative driver of corporate success and can contribute to knowledge enhancement (Erhardt et al., 2003). Women, according to research, take a more collaborative method of leadership, which leads to better communication between managers and the board of directors, as well as stakeholders (Eagly et al., 2003). Prior research has yielded a mixed bag of outcomes

when it comes to female directors. According to Adams and Ferreira (2009) and Nielsen and Huse (2010), women in higher management teams have a beneficial impact on decisions. The following are examples of evidence from past risk disclosure studies. There is a favorable association between gender diversity and risk disclosure, as per Ntim et al. (2013) and Allini et al. (2016). Collins et al. (2013) find that there is a positive connection between board diversity and risk disclosure. Gender is shown to be one of the most essential indicators of voluntary risk reporting policies in Saudi registered banks by Al-Maghzom et al. (2016), who discover that board gender has a significantly positive association with risk disclosure. Salem et al. (2019) indicate a positive link between the quality of risk disclosure and the participation of women on the board of directors.

On the other hand, it is shown that having a multi-gender board increased disagreement among directors owing to their various positions and experiences (Mannix and Neale, 2005; Boone and Hendriks, 2009). Bianco et al. (2011) doubt the female ability to influence or increase value to the team. Allini et al. (2014) indicate a negative link between gender and risk disclosure. Also, Ahmad et al. (2015) disclose that gender diversity does not affect risk disclosure levels in Malaysia.

Following a number of previous studies (Ntim et al., 2013; Collins et al., 2013; Allini et al., 2016; Al-Maghzom et al., 2016; and Salem et al., 2019), it is hypothesized as follows:

H3: There is a significant association between board gender diversity and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.4 Educational qualification of board members

According to previous research, the educational background has an impact on strategic decision-making methods and outcomes. As a result, executives with higher educational qualifications, according to Hambrick and Mason (1984), are more prepared to accept new and creative activities as well as uncertainties. Furthermore, educational qualifications may be viewed as a valuable organizational asset, influencing accounting values and procedures (Gray, 1988). According to Hitt and Tyler (1991), top management with a solid educational background is more likely to have the stronger practical expertise and a more flexible approach to risk disclosure choices, potentially reducing information asymmetry. Furthermore, in light of agency theory, it enables greater supervision and the efficacy of senior management boards (Allini et al., 2016).

Only a few empirical studies investigate this association and find a negative connection between educational background and risk disclosure (Gul and Leung, 2002; and Allini et al., 2016). According to Al-Maghzom et al. (2016), the educational background of the board members has no impact on the Saudi Arabian listed banks' optional risk disclosure. Amrin (2018) states that the educational background of the presidential director does not affect risk disclosure.

In light of the previous studies (Gul and Leung, 2002; Allini et al., 2016; Al-Maghzom et al., 2016; and Amrin, 2018), the following research hypothesis is developed:

H4: There is a significant association between the educational qualification of board members and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.5 Board experience

Board experience is an extremely important part of board quality. Based on the agency theory, Nalukenge et al. (2017) demonstrate that board financial experience increases observation capacity and diligent effort, which improves disclosure compliance. Therefore, board experience is linked to risk disclosure compliance. As per Sellami and Fendri (2017), corporate risk disclosure is improved by having financial and accounting skills together with a complete awareness of the company's economic environment and additional industry experience. According to Ahmad et al. (2015), there is a positive and substantial link between board expertise and risk management disclosure level. Nalukenge et al. (2018), reveal that board experience has a favorable and substantial impact on IFRS compliance. Furthermore, Nkuutu et al. (2020) discover a significant connection between board expertise and risk disclosure compliance.

Nonetheless, according to BuckbyGallery and Ma (2015), board experience does not affect risk management disclosure. Also, Al-Maghzom et al. (2016) find an insignificant connection between board experience tenure and voluntary risk disclosure in registered KSA banks.

As a result of the above considerations (Ahmad et al., 2015; Nalukenge et al., 2018; and Nkuutu et al., 2020), the following research hypothesis is developed:

H5: There is a significant association between board experience and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.6 Number of board meetings

According to the agency hypothesis, the number of board meetings effects corporate performance. Increased meeting frequency encourages idea exchange, performance transparency, and discussion in order to solve agency issues. Previous research provides empirical evidence on the benefits of directors diligently monitoring disclosure, with the frequency of meetings being a significant component of this control (Allegrini and Greco, 2013). According to Chou et al. (2013), board meetings are linked to business success since they assist the board to oversee and control its actions while protecting shareholder capital. Furthermore, Chen et al. (2006) state that holding extra frequent meetings minimizes the likelihood of fraud risk. Correia and Lucena (2020) indicate that frequent meetings enhance board member organization and communication as a governance mechanism. According to Allini et al. (2016), there is no effect between board meetings and risk disclosure.

The following research hypothesis is formulated based on the above previous studies:

H6: There is a significant association between the number of board meetings and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.4.7 Board ownership

When analyzing the literature for ownership, it discovers that the ownership structure variable has been measured using a number of proxies. Such as managerial

ownership, concentration ownership, institutional ownership, family ownership, governmental ownership, the percentage of shares owned by outsiders, foreign ownership, and the proportion of closely held shares (CHS). However, empirical researches find a diverse selection of results in this area. According to Cooke (1989), when there is a separation of control and ownership, the possibility for agency problems increases due to disagreements between, first, owners and directors, and, second, bondholders and stockholders. Administration and governance (who elects the board of directors) suggest having an impact on risk disclosure since the directors prepare annual reports for investors (Abraham and Cox, 2007).

Managers might hold a large percentage of shares and decide to provide limited risk disclosure (Konishi and Ali, 2007). According to Kothari (2000), ownership proportion and distributed management ownership encourage a strong market for disclosure. Chau and Gray (2010) find greater ownership is linked to more optional disclosure in their study. Also, Agyei-Mensah (2017) states that there is a link between block ownership concentration and risk reporting compliance.

According to Eng and Mak (2003), there is no link between block ownership and disclosure. Konishi and Ali (2007) report that there is an irrelevant link between ownership distribution and the frequency of risk disclosure, but they are still certain that the two factors are linked. However, internal control disclosures are found to have a negative connection with both ownership concentration and management ownership (Deumes and Knechel, 2008). Based on the results presented above, the following research hypothesis is developed:

H7: There is a significant association between board ownership and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.

3.5 Chapter summary

This chapter defines IFRS 7, as well as prior research that investigated the influence of board features on risk disclosure as a dependent variable. The review of past literature aids in the development of research hypotheses in order to meet the study's objectives. A total of seven research hypotheses are developed to explore the influence of one corporate governance instrument, board characteristics, on the extent of risk disclosure in accordance with IFRS 7.

Chapter Four: The Research Methodology

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Chapter Four

The Research Methodology

4.1 Introduction

This chapter covers details of the study's research methodology, statistical analysis, and data-gathering procedures. Additionally, it presents the regression models that are used to carry out the study's objectives, as well as sample selection and variables measurements. To achieve the study's main goal, independent variables are used to investigate the impact of board of directors' characteristics (board size, board independence, gender diversity on the board, educational qualifications of board members, board experience, number of board meetings, and board ownership) on the IFRS 7 risk disclosure compliance of listed financial institutes in GCC countries. The current research uses content analysis to measure risk disclosure in annual reports. An index is unitized to measure the dependent variable which is risk disclosure. This is in line with previous risk disclosure research (Linsley and Shrives, 2006; Elzahar and Hussainey, 2012; Al-Maghzom et al., 2016; and Agyei-Mensah, 2017).

4.2 The sample

The study's population covers all 207 financial institutions listed in the GCC countries (Bahrain, The Kingdom of Saudi Arabia, Kuwait, Oman, Qatar, and the United Arab Emirates) by the end of 2020. It covers a period of three years (2018 - 2020). All non-financial corporations are excluded from the current study. Because financial institutions are risk-oriented by nature, unlike non-financial firms, their disclosure should be analyzed separately (Linsely and Shrives, 2006).

It is discovered during the data collection process that some data are missing, due to the non-availability of some firms' data for one or more years throughout the research period, this is because annual reports or corporate governance reports (if they are presented separately) are unavailable during that period. Additionally, the study's sample excludes firms that satisfy the following criteria:

- Non-financial firms.
- Firms with unavailable data.

The below table (Table 2) shows the final sample that consists of 621 firm-year data observations after applying the above criteria (207 financial institutions per year). The Kingdom of Saudi Arabia has the highest collected data, which is 22.7% of the total GCC sample (141 Saudi firm-year data observations). Kuwait comes in second place with a difference of 10 firm-year data observations. Therefore, 21.1% of the sample are Kuwaiti firms. Then 20.9% of the sample are Emirati firms (130 firm-year data observations). In fourth place is Oman with a total sample of 105 firm-year data observations and the percentage of Omani

Table 2: Sample distribution

Country	Financial institutes	Frequency (2018-2020)	Percent
Bahrain	22	65	10.5%
KSA	47	141	22.7%
Kuwait	44	131	21.1%
Oman	35	105	16.9%
Qatar	15	49	7.9%
UAE	44	130	20.9%
Total	207	621	100%

financial firms are 16.9% of the selected sample. Next is Bahrain, out of the total sample, 65 firm-year data observations are from Bahraini financial firms. The last country is Qatar, which has the lowest number of firms that are selected in this study, which is 7.9% of the total sample.

4.3 Data collection

As stated previously, data from company annual reports and corporate governance reports (if they are provided separately) provide the basis for the empirical analysis of the current study. Therefore, the annual reports and corporate governance reports for the chosen listed financial firms in the GCC stock market for the current study are gathered from their official websites for a three-year period, from 2018 until 2020.

The following information is obtained to create the data for the present study. The risk disclosure in annual reports is measured as the dependent variable by the risk index. Additionally, data of the independent variables which are board characteristics (board size, board gender diversity, board independence, educational qualifications of board members, board experience, number of board meetings, and board ownership) are gathered from the corporate governance report, which is presented in some countries as a part of the annual reports (namely the Board of Directors' Report section) or separately reported in other countries. For some companies' board characteristics are not completely available therefore other external websites have been used to get the missing information.

4.4 Variables measurement

4.4.1 The dependent variable measurement

The risk disclosure by the sampled companies in published annual reports is measured using the risk index in this study. This method is selected since the research focuses on the level of risk disclosure rather than their quality, and it is a frequently used method in corporate disclosure studies. This is in line with previous risk disclosure research (Linsley and Shrives, 2006; Elzahar and Hussainey, 2012; Tauringana and Chithambo, 2016; Al-Maghzom et al., 2016; and Agyei-Mensah, 2017).

Data needed for the empirical study comes from the annual reports of 207 GCC listed financial institutes during a three-year period, from 2018 to 2020. To construct the risk disclosure index which includes five categories of risk disclosure items, this study conducts a detailed analysis of the IFRS 7 and risk disclosure literature. Appendix (C) contains a list of risk disclosure types and elements. The risk disclosure is grouped into five categories: market risk disclosure – interest rate risk, market risk disclosure – currency risk, market risk disclosure – other pricing risks, liquidity risk disclosure, and credit risk disclosure. The following categories are utilized to compute the dependent variable: The extent to which IFRS 7 compliance is achieved (risk disclosure). The definition of each risk is as follows:

1. Market risk refers to the likelihood of losses in on-balance-sheet and off-balance-sheet securities due to market price volatility. The level of market risk exposure and organizational risk measuring methods are used to determine this. Interest rate-related products and stocks in the trading book are subject to this requirement, as are foreign currency risks and other commodities risks across the bank.

2. Liquidity risk is the possibility that a company may be unable to fulfill present and future cash flows and collaterals demands without disrupting its daily activities or financial situation. The degree of liquidity risk exposure and the debate on funding policy are the indicators of liquidity risk quality.
3. Credit risk refers to the danger that a financial borrower or counterparties would fail to meet their obligations in accordance with the terms agreed upon. The quantity of credit risk exposure, late payment, impaired assets, security held, and credit risk quality are all indicators of credit risk quality.

The dependent variable, the extent of IFRS 7 compliance is evaluated using a disclosure index comprised of a set of risk disclosure elements drawn from IFRS 7 and prior research. Data on corporate risk disclosure requirements are acquired from annual reports of sampling listed financial institutions in GCC countries for the empirical study. Each annual report is analyzed and classified in order to investigate the disclosure of corporate risk data. Table 3 includes the risk disclosure index, which is utilized in the current study including its five categories of risk disclosure items. More details are provided in Appendix C.

Table 3: Risk disclosure categories

Disclosure requirement (IFRS7)	Acronym
1. Market risk – interest rate risk	
“Exposure to risk and how they arise.	MI 1
Objectives, policies and processes for managing the risk and the methods used to measure the risk.	MI 2
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period.	MI 3
Summary quantitative data about exposure to risk at the reporting date.	MI 4
Interest rate sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date.	MI 5

Methods and assumptions used in preparing the sensitivity analysis.	MI 6
Concentration of interest rate risk if not apparent from summary quantitative data and sensitivity analysis.”	MI 7
2. Market risk – currency risk	
“Exposure to risk and how they arise.	MC 8
Objectives, policies and processes for managing the risk and the methods used to measure	MC 9
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period.	MC 10
Summary quantitative data about exposure to risk at the reporting date.	MC 11
Currency risk sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date.	MC 12
Methods and assumptions used in preparing the sensitivity analysis.	MC 13
Concentration of currency risk if not apparent from summary quantitative data and sensitivity analysis.”	MC 14
3. Market risk – other price risk	
“Exposure to risk and how they arise.	MO 15
Objectives, policies and processes for managing the risk and the methods used to measure	MO 16
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period.	MO 17
Summary quantitative data about exposure to risk at the reporting date.	MO 18
Other price risk sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date.	MO 19
Methods and assumptions used in preparing the sensitivity analysis.	MO 20
Concentration of other price risk if not apparent from summary quantitative data and sensitivity analysis.”	MO 21
4. Liquidity risk	
“Exposure to risk and how they arise.	LIQ 22
Objectives, policies and processes for managing the risk and the methods used to measure the risk.	LIQ 23
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period.	LIQ 24
Maturity analysis for financial liabilities that show the remaining contractual maturities.”	LIQ 25
5. Credit risk	
“Exposure to risk and how they arise.	CR 26
Objectives, policies and processes for managing the risk and the methods used to measure.	CR 27
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period.	CR 28

Summary quantitative data about exposure to risk at the reporting date.	CR 29
Concentrations of credit risk if not apparent from summary quantitative data and	CR 30
Amount of maximum exposure to credit risk (before deducting value collateral).	CR 31
Description of collateral held as security and other credit enhancements security and other credit enhancements.	CR 32
Information about credit quality of financial assets with credit risk that are neither past due nor impaired.	CR 33
The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated.	CR 34
By class of financial assets, an analysis of the age of financial assets that are past due as at the reporting date but not impaired.	CR 35
By class of financial assets and analysis of financial assets that are individually determined to be impaired at the reporting date, including the factors the entity considered in determining that they are impaired.	CR 36
Description of collateral held by the entity as security and other credit enhancements for the amounts and, unless impracticable, an estimate of their fair value.	CR 37
Nature and carrying amount of assets obtained by taking possession of collateral it holds as security or called on other credit enhancements, and such assets meet the recognition criteria on other standards.	CR 38
Policies for disposing assets or use it in its operations when the assets are not readily convertible into cash.”	CR 39

Source: the above requirement items have taken from the following sources: IFRS 7, Taurigana and Chithambo (2016), Agyei-Mensah, (2017), and Nkuutu et al. (2020).

The above risk disclosure index (RISDIS) is employed by several previous research (Taurigana and Chithambo, 2016; Agyei-Mensah, 2017; and Nkuutu et al., 2020). Further, the main source of this index is IFRS 7. In this research, an unweighted disclosure index is used, which values all items equally using a dichotomous process in which each item gets one if it is reported and zero otherwise. Cooke (1989), who has been followed by numerous researchers (Ettredge et al., 2002; Aly and Simon, 2008; and Desoky, 2009), is in favor of unweighted items, meaning that all elements are equally significant. Because it decreases subjectivity, this technique based on unweighted items has become the standard in disclosure research (Ahmed and Courtis, 1999). Nevertheless, several international reporting studies (Debreceeny et al., 2002; and Bollen et al., 2006) employed unweighted and

weighted disclosure indexes and found identical findings. This implies that it makes no difference, which approach researchers choose. The information given would be used by many sorts of users, each for a different purpose, so it is considered that an unweighted index would be suitable. This scale is regularly used to assess RISDIS in prior studies (Agyei-Mensah, 2017). The information is gathered from audited annual reports. The annual reports serve as the foundation for determining whether risk disclosure items are being met.

4.4.2 Independent variables measurement

Several board characteristics and other firm characteristics are used as independent or control variables in past studies in this area, both in developed and developing nations, to influence the extent of compliance with IFRS 7. (Gul and Leung, 2002; Deumes and Knechel, 2008; Lajili, 2009; Collins et al., 2013; Allini et al., 2016; Al-Maghzom et al., 2016; Agyei-Mensah, 2017; Krismiaji, 2019; and Nkuutu et al., 2020). As a result, the present study uses the following board characteristics to fulfill

Table 4: Independent variables - Definitions and proxies

Independent variables	Acronym	Predicted Sign	Measurement
Board size	BSIZE	+	The number of directors.
Board independence	BINDEP	+	The percentage of independent directors over the total number of board members.
Board gender diversity	BGENDR	+ or -	Report 1 if there are female directors on the board; otherwise, report 0.
Educational qualification of board members	EDUQAL	+ or -	If one of the board members has a Master's or PhD, the value is reported as 1, otherwise 0.
Board experience	BEXPER	+ or -	The average years of experience of board members.
Number of board meetings	BNMEET	+ or -	The frequency of board meetings.
Board ownership	BOWNER	+ or -	The percentage of board ownership.

the main research objective: board size, board independence, board gender diversity, educational qualification of board members, board experience, number of board meetings, and board ownership.

4.4.3 Control variables

Previous studies present evidence of some association between a number of variables that could affect the dependent variable, risk disclosure requirements of IFRS 7 (RISDIS). (Al-Maghzom et al., 2016 Agyei-Mensah, 2017; Krismiaji, 2019; and Nkuutu et al., 2020). Therefore, firm size, firm profitability, auditor quality, and the existence of an audit committee are used to control for possible influences.

Table 5: The definitions and proxies of control variables

Control variables	Acronym	Predicted Sign	Measurement
Firm size	FSIZE	+ or -	The firm's total assets.
Firm profitability	FROA	+ or -	Net income over total Asset (Return on assets)
Auditor quality	AUDITQ	+ or -	Reported 1 if Big 4 audit firms and 0 otherwise.
Existence of AC	EXISAC	+ or -	If an audit committee exists, it is reported as 1, otherwise as 0.

4.5 Statistical methods

The Statistical Package for Social Sciences (SPSS) is used in this study. For each of the dependent, independent, and control variables, descriptive statistics, Pearson correlation analysis, and hierarchical multiple regression (HMR) analysis are utilized. The study model includes seven board characteristics based on previous empirical research. Board size, gender diversity on the board, board independence, educational qualifications of board members, board experience, number of board meetings, and board ownership are all variables to consider. There are four additional control variables: the firm size, auditor quality, firm profitability, and the existence of an audit committee.

Two distinct regression models are designed to accomplish the study's main goal; the first model uses the dependent variable (IFRS 7 risk disclosure) and four control variables (firm size, auditor quality, firm profitability, and the existence of an audit committee). The second model uses the dependent variable (IFRS 7 risk disclosure), seven independent variables (board size, gender diversity on the board, board independence, educational qualifications of board members, board experience, number of board meetings, and board ownership), and four control variables (firm size, firm profitability, auditor quality, and the existence of an audit committee).

Hierarchical multiple regression (HMR) is utilized to test the hypotheses formulated earlier in chapter 3, and the regression models are as follows:

- The dependent variable is IFRS 7 risk disclosure (Total of market, liquidity and credit risk):

Model 1:

$$\text{RISDIS} = \beta_0 + \beta_1 \text{FSIZE} + \beta_2 \text{FRPA} + \beta_3 \text{AUDITQ} + \beta_4 \text{EXISAC} + \varepsilon$$

Model 2:

$$\begin{aligned} \text{RISDIS} = & \beta_0 + \beta_1 \text{BSIZE} + \beta_2 \text{BINDEP} + \beta_3 \text{BGENDR} + \beta_4 \text{EDUQAL} + \beta_5 \\ & \text{BEXPER} + \beta_6 \text{BNMEET} + \beta_7 \text{BOWNER} + \beta_8 \text{FSIZE} + \beta_9 \text{FRPA} + \beta_{10} \text{AUDITQ} \\ & + \beta_{11} \text{EXISAC} + \varepsilon \end{aligned}$$

- The dependent variable is market risk disclosure:

Model 3:

$$\text{TOTMRK} = \beta_0 + \beta_1 \text{FSIZE} + \beta_2 \text{FRPA} + \beta_3 \text{AUDITQ} + \beta_4 \text{EXISAC} + \varepsilon$$

Model 4:

$$\text{TOTMRK} = \beta_0 + \beta_1 \text{BSIZE} + \beta_2 \text{BINDEP} + \beta_3 \text{BGENDR} + \beta_4 \text{EDUQAL} + \beta_5 \text{BEXPER} + \beta_6 \text{BNMEET} + \beta_7 \text{BOWNER} + \beta_8 \text{FSIZE} + \beta_9 \text{FRPA} + \beta_{10} \text{AUDITQ} + \beta_{11} \text{EXISAC} + \varepsilon$$

- The dependent variable is liquidity risk disclosure:

Model 5:

$$\text{TOTLIQ} = \beta_0 + \beta_1 \text{FSIZE} + \beta_2 \text{FRPA} + \beta_3 \text{AUDITQ} + \beta_4 \text{EXISAC} + \varepsilon$$

Model 6:

$$\text{TOTLIQ} = \beta_0 + \beta_1 \text{BSIZE} + \beta_2 \text{BINDEP} + \beta_3 \text{BGENDR} + \beta_4 \text{EDUQAL} + \beta_5 \text{BEXPER} + \beta_6 \text{BNMEET} + \beta_7 \text{BOWNER} + \beta_8 \text{FSIZE} + \beta_9 \text{FRPA} + \beta_{10} \text{AUDITQ} + \beta_{11} \text{EXISAC} + \varepsilon$$

- The dependent variable is credit risk disclosure:

Model 7:

$$\text{TOTCR} = \beta_0 + \beta_1 \text{FSIZE} + \beta_2 \text{FRPA} + \beta_3 \text{AUDITQ} + \beta_4 \text{EXISAC} + \varepsilon$$

Model 8:

$$\text{TOTCR} = \beta_0 + \beta_1 \text{BSIZE} + \beta_2 \text{BINDEP} + \beta_3 \text{BGENDR} + \beta_4 \text{EDUQAL} + \beta_5 \text{BEXPER} + \beta_6 \text{BNMEET} + \beta_7 \text{BOWNER} + \beta_8 \text{FSIZE} + \beta_9 \text{FRPA} + \beta_{10} \text{AUDITQ} + \beta_{11} \text{EXISAC} + \varepsilon$$

Where β_0 is constant, β_i , $i=1, \dots, 11$, is parameters, and ε is the error term.

4.6 Chapter summary

This chapter describes the research methods utilized to carry out the study's goal and evaluate the hypotheses. This chapter includes a comprehensive description of the

study sample and data collection. A three-year period of data collection, from 2018 to 2020, produced 621 firm-year observations. The present study's primary data sources are the firm's annual reports and governance reports. Furthermore, the chapter goes through to discuss how to control, independent, and dependent variables are assessed. It then discusses the research models that are developed to test the hypotheses.

Chapter Five: Findings

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Chapter Five

Findings

5.1 Introduction

The research results based on the study sample of 621 firm-year observations from GCC listed enterprises are presented and discussed in this chapter. Three types of statistics are carried out in the present study utilizing the Statistical Package for Social Sciences (SPSS). For each of the dependent, independent, and control variables, descriptive statistics are utilized, which include the maximum, minimum, mean, and standard deviation. In order to test the specific links between board characteristics as independent variables on the one side and the dependent variable, IFRS 7 risk disclosure, on the other, the chapter presents the results of a Pearson correlation analysis. It is important to note that the correlation shows if the study suffers from a multi-collinearity problem between the used variables. The data is then examined using two hierarchical multiple regression (HMR) models. The first model seeks to determine the impact of the control variables on IFRS 7 risk disclosure compliance, while the second seeks to determine the effect of the control variables as well as the independent variables on the same dependent variable, IFRS 7 risk disclosure compliance. Finally, in addition to the main regression models (Models 1 and 2), additional tests are conducted to investigate each category of IFRS 7 risk disclosure (Models 3, 4, 5, 6, 7, and 8) as a separate dependent variable and the relationship with the same control and independent variables. In other words, six additional hierarchical multiple regression (HMR) models are conducted.

5.2 Descriptive statistics of the dependent variable

Descriptive statistics for variables (dependent, independent, and control variables) are displayed in this section. The essential information provided by the descriptive statistics is the maximum, minimum, mean, and standard deviation of every variable used in this research.

5.2.1 Descriptive statistics of the risk disclosure index

The sample is drawn from 207 financial institutes listed in the GCC, with a total of 621 firm observations for the years 2018 – 2020.

Table 6 shows descriptive statistics related to the total number of risk-related disclosure in the annual reports of 207 GCC financial institutes from 2018 to 2020. All risk-related disclosure is identified and calculated using one of five risk categories as shown in Table 6. The risk disclosure index includes three main risk categories, which are market risk, liquidity risk, and credit risk.

Table 6 reflects the extent to which IFRS 7 risk disclosure compliance is achieved. The average score during the three-year period is 64 percent, as shown in Table 6. The finding reveals that financial institutes listed in the GCC are not completely compliant with IFRS 7. This finding is in line with what is reported by Tauringana and Chithambo (2016), who discover that 40 percent of enterprises listed on the Malawi stock exchange are compliant. In addition, the result is consistent with Agyei-Mensah (2017), who reports that businesses listed on the Ghana stock exchange have a 53 percent of compliance level and Ellili and Nobanee (2017) report the total corporate risk disclosure of UAE banks is low at the level of 35.12 percent. It also agrees with Al-Maghzom et al. (2016), who discover a considerable variation in risk reporting among the studied banks in the Kingdom of Saudi Arabia, with a

mean total risk disclosure of 66.03 percent. Results of the current study indicate that the maximum score of total risk disclosure ranges from 34 as a maximum to 2 as a minimum. The mean score of the whole sample (621 firm observations) is 21.82. The result is consistent with Al-Shammari (2014), who reports a mean score of 19.87 for listed companies in the Kuwait stock exchange and Alshirah et al. (2021) find that firms listed in Jordan have a mean score of 28.35.

The risk disclosure index is measured by 3 types of risks that are explained in the IFRS 7. The first risk is the market risk with a mean score of 10.21 and the market risk is divided into another three categories of risks which are interest rate risk, currency risk, and other price risk with a maximum of 6, 6, and 7 respectively, and a minimum of 0 scores. The second risk is liquidity risk with a maximum of 4 and a minimum of 0. The mean score of liquidity risk is 2.95. The third risk is credit risk with a mean score of 8.68 and a maximum score is 14 and a minimum is 2.

In summary, Table 6 presents the percentage of compliance of all risk disclosure categories in GCC financial institutes. The average score of the risk disclosure index during the three-year period is 64 percent and it reveals that financial institutes listed in the GCC are not completely compliant with IFRS 7. The result is in line with Al-Shammari (2014), Al-Maghzom et al. (2016), Tauringana and Chithambo (2016), Agyei-Mensah (2017), Ellili and Nobanee (2017), and Alshirah et al. (2021). The risk disclosure index is divided into three main categories of risks which are market risk, liquidity risk, and credit risk with an average score of 64%, 74%, and 62% respectively.

Table 6: Descriptive statistics of the risk disclosure index

Risk Disclosure	N	Min.	Max.	Mean	Percentage	Std.
					(Mean / Total score)	
Market risk – Interest rate risk (TOTMI)	621	0	6	3.45	0.58	1.37
Market risk – Currency risk (TOTMC)	621	0	6	3.24	0.54	1.38
Market risk – Other pricing risk (TOTMO)	621	0	7	3.51	0.50	1.51
Market risk (TOTMRK)	621	0	16	10.21	0.64	3.10
liquidity risk (TOTLIQ)	621	0	4	2.95	0.74	0.40
Credit risk (TOTCR)	621	2	14	8.68	0.62	3.36
Risk disclosure index (RISDIS)	621	2	34	21.82	0.64	5.83

5.2.2 Descriptive statistics of the market risk

The descriptive statistics of market risk, or the risk that the fair value or future cash flows of a financial instrument may vary owing to market price variations, are shown in Tables 7, 8, and 9. Currency risk, interest rate risk, and other price risk are the three types of market risk.

5.2.2.1 Interest rate risk

Table 7 shows descriptive statistics of market risk (interest rate risk disclosure), which discusses the risk that the present value or future cash flows of an economic instrument would change owing to market interest rate movements. There are seven disclosure requirements taken from IFRS 7 under the interest rate risk disclosure and each interest rate risk disclosure is coded as MI. Table 7 shows that the maximum score for total interest rate risk disclosure is 6 and the minimum is 0. The mean score of total interest rate risk is 3.45, which explains that financial institutes in the GCC are not 100 percent compliant in regard to the total interest rate risk disclosure. It is concluded from Table 7 that the level of compliance is around 58 percent of overall interest rate risk disclosure.

The maximum score for each interest rate risk disclosure item is 1 and the minimum score is 0. MI 1 focuses on interest rate risk exposure and how it occurs and based on the tested sample a mean of 97 percent of GCC financial institutes are complied with MI 1. MI 2 discusses the risk management objectives, policies, and processes, as well as risk measurement methodologies, and the result of the second interest rate risk disclosure is performed by 96 percent of the sample. MI 3 presents changes in interest rate risk exposure, interest rate risk assessment and objectives, policies, and risk management practices from the prior period, and only a mean of 3 percent of GCC financial institutes are disclosing MI 3. The fourth code presents summary quantitative data on risk exposure as of the reporting date, and it is performed by 69 percent of the sample.

MI 5 discusses interest rate sensitivity analysis, which shows how modifications in the associated risk variable that are objectively feasible at the time would have affected profit or loss and equity, and a mean of 50 percent of GCC financial institutes disclose interest rate risk disclosure 5. A 30 percent mean of the sample is complies with MI 6, which presents the methodologies and assumptions employed in the sensitivity analysis. The seventh interest rate risk disclosure presents the interest rate concentration risk if it is not presented in the summary quantitative information, and the mean is 0 because no GCC financial institutes disclosed MI 7, arguably because some firms have already explained it in MI 4 and other firms have not disclosed it.

In summary, Table 7 covers market risk (interest rate risk disclosure), with a maximum score of 6 and a minimum of 0. The average total interest rate risk score is 3.45, indicating that financial institutions in the GCC are not fully compliant with total interest rate risk disclosure. It is concluded that the degree of compliance is

around 58 percent of total interest rate risk disclosure. There are seven interest rate risk disclosure items (MI 1 to MI 7) and each item is treated as a dummy variable (Maximum score is 1 and minimum is 0).

Table 7: Descriptive statistics of the market risk (Interest rate risk)

Disclosure items	N	Min.	Max.	Mean	Std. Deviation
MI 1	618	0	1	0.97	0.17
MI 2	618	0	1	0.96	0.19
MI 3	618	0	1	0.03	0.18
MI 4	618	0	1	0.69	0.46
MI 5	618	0	1	0.50	0.50
MI 6	618	0	1	0.30	0.46
MI 7	618	0	0	0.00	0.00
TOTMI	621	0	6	3.45	1.37

5.2.2.2 Currency risk

Table 8 presents the descriptive statistics of market risk (currency risk disclosure), which reflects the risk of the present value or future cash flows of an economical instrument that would vary as a result of changes in the exchange rate. Under currency risk, there are seven disclosure requirements drawn from IFRS 7, and each currency risk disclosure is classified as MC. Total currency risk disclosure has a maximum score of 6 and a minimum score of 0. The average total currency risk is 3.24; indicating financial institutions in the GCC are not fully compliant with total currency risk disclosure. Table 8 shows that the degree of compliance is around 54 percent of total currency risk disclosure.

Each currency risk disclosure has a maximum score of 1 and a minimum score of 0. MC 8 focuses on currency risk exposure and how it arises. A mean of 97 percent of GCC financial institutes comply with MC 8. MC 9 discusses risk management objectives, policies, and processes, as well as risk measuring techniques, and a result of 96 percent of the sample conducted MC 9. MC 10 examines changes in currency

risk exposure, currency risk assessment and objectives, policies, and risk management methods during the previous period, and no declaration is made in relation to MC 10. MC 11 provides summary quantitative data on currency risk exposure as of the reporting date, and it is conducted by 61 percent of GCC financial institutes. MC 12 presents currency risk sensitivity analysis, which shows how changes in the associated risk variable that are objectively feasible at the time would have affected profit or loss and equity, and a mean of 50 percent of GCC financial institutes declared MC 12. MC 13 is followed by a 26 percent mean of the tested sample, which illustrates the techniques and assumptions utilized in generating the sensitivity analysis. MC 14 shows the currency risk concentration if it is not presented in the summary quantitative data, and the mean is 2 percent.

Table 8 summarizes market risk (currency risk disclosure), with a maximum score of 6 and a minimum score of 0. The average total currency rate risk score is 3.24, suggesting that financial institutions in the GCC are not completely compliant with total currency rate risk disclosure. The degree of compliance is estimated to be roughly 54 percent of overall interest rate risk disclosure. Each of the seven-currency rate risk disclosure elements (MC 8 to MC 14) is regarded as a dummy variable (Maximum score is 1 and minimum is 0).

Table 8: Descriptive statistics of the market risk (Currency rate risk)

Disclosure items	N	Min.	Max.	Mean	Std. Deviation
MC 8	618	0	1	0.97	0.17
MC 9	618	0	1	0.96	0.19
MC 10	618	0	0	0.00	0.00
MC 11	614	0	1	0.61	0.49
MC 12	615	0	1	0.45	0.50
MC 13	617	0	1	0.26	0.44
MC 14	618	0	1	0.02	0.13
TOTMC	621	0	6	3.24	1.38

5.2.2.3 Other price risk

Table 9 summarizes the findings of the descriptive statistics for market risk – other price risk disclosure. It explains the risk that a financial instrument's present value or future cash flows will vary due to pricing fluctuations in the market (other than those caused by interest rate risk or currency risk). Moreover, it explains whether some fluctuations are driven by factors particular to the individual financial instrument or its issuers or by variables influencing all comparable financial instruments available for trading in the markets. There are seven disclosure requirements adopted from IFRS 7 under the other pricing risk, and each other price risk disclosure is classified as MO. The maximum score for total other price risk disclosure is 7 and the minimum is 0. The mean score of total other price risk is 3.51, indicating that GCC financial institutions are not fully compliant with total other price risk disclosure. Table 9 shows that the degree of compliance is roughly 50 percent of the total other pricing risk disclosure.

The highest score for each item of other price risk disclosure is 1 and the minimum is 0. Table 9 shows that MO 15 focuses on other price risk exposure and how it arises, and a high mean of 91 percent of GCC financial institutes comply with it. MO 16 discusses risk management objectives, policies, and processes, as well as risk measuring methodology, and a high mean of 91 percent of the sample fulfilled MO 16. MO 17 covers changes in other price risk exposure, other price risk assessments and objectives, policies, and risk management methods from the previous period, and GCC financial institutes have made no declarations concerning MO 17. MO 18 provides a summary of quantitative data on risk exposure as of the reporting date, and 77 percent of the sample applied it. Other price sensitivity analysis, which demonstrates how changes in the associated risk variable that are objectively practicable at the time would have affected profit or loss and equity, is

discussed in MO 19, and a mean of 61 percent of GCC financial institutes provided MO 19. MO 20 complies with a 32 percent mean of the tested sample, which provides the methodologies and assumptions used in creating the sensitivity analysis. MO 21 presents the other price concentration risk if it is not presented in the summary quantitative information, and the mean is 1 percent of the GCC financial institutes are compliant with MO 21.

In summary, Table 9 addresses market risk (other price risk disclosure), with a maximum score of 7 and a minimum of 0. The average total other price risk score is 3.51, suggesting that financial institutions in the GCC are not entirely compliant with total other price risk disclosure. It is found that the degree of compliance is around 50% of total other pricing risk disclosure. There are seven other price risk disclosure elements (MO 15 to MO 21), and each item is handled as a dummy variable (Maximum score is 1 and minimum is 0).

Table 9: Descriptive statistics of the market risk (Other price risk)

Disclosure items	N	Min.	Max.	Mean	Std. Deviation
MO 15	615	0	1	0.91	0.29
MO 16	618	0	1	0.91	0.29
MO 17	618	0	1	0.00	0.04
MO 18	618	0	1	0.77	0.42
MO 19	618	0	1	0.61	0.49
MO 20	615	0	1	0.32	0.47
MO 21	617	0	1	0.01	0.12
TOTMO	621	0	7	3.51	1.51

5.2.3 Descriptive statistics of the liquidity risk

Table 10 shows the descriptive statistics for liquidity risk disclosure, which is associated with the probability of a financial institution's inability to meet its financial commitments. Under the liquidity risk disclosure, there are four disclosure requirements introduced from IFRS 7, and each liquidity risk disclosure is classified

as LIQ. Total liquidity risk disclosure has a maximum score of 4 and a minimum score of 0. Total liquidity risk has a mean of 2.95, suggesting that financial institutions in the GCC are not entirely compliant with total liquidity risk disclosure. Table 10 demonstrates that around 74 percent of overall liquidity risk disclosure are in compliance.

Each item of liquidity risk disclosure has a maximum score of 1 and a minimum score of 0. According to the investigated sample, a high mean of 100 percent of GCC financial institutes comply with LIQ 22, which focuses on liquidity risk exposure and how it emerges. LIQ 23 outlines risk management objectives, policies, and processes, as well as a risk measurement technique, and a high mean of 99 percent of the sample met the LIQ 23. LIQ 24 covers changes in liquidity risk exposure, liquidity risk assessment and objectives, policies, and risk management procedures from the preceding period and GCC financial institutes have a mean of 3 percent in terms of LIQ 24. LIQ 25 provides financial liability maturity assessment, displaying framework maturities, and 95 percent of GCC financial institutes are compliant with LIQ 25.

In summary, Table 10 addresses liquidity risk disclosure, with a maximum score of 4 and a minimum of 0. The average total liquidity risk score is 2,95, implying that the degree of total liquidity risk disclosure compliance across GCC financial institutions is around 74%. There are four liquidity risk disclosure items (LIQ 22 to LIQ 25), and each item is treated as a dummy variable (Maximum score is 1 and minimum is 0).

Table 10: Descriptive statistics of the liquidity risk

Disclosure items	N	Min.	Max.	Mean	Std. Deviation
LIQ 22	618	0	1	1.00	0.07
LIQ 23	618	0	1	0.99	0.10
LIQ 24	617	0	1	0.03	0.16
LIQ 25	618	0	1	0.95	0.22
TOTLIQ	621	0	4	2.95	0.40

5.2.4 Descriptive statistics of the credit risk

Table 11 displays the findings of the descriptive statistics for credit risk disclosure, which explains the possibility that one side of a financial instrument would cost the other side financial damage by not meeting an obligation. There are fourteen disclosure requirements taken from IFRS 7 under the credit risk and each credit risk disclosure is coded as CR. Total credit risk disclosure has a maximum score of 14 and a minimum score of 2. The mean of total credit risk is 8.68, which explains that financial institutes in the GCC are not 100 percent compliant in regard to the total credit risk disclosure. It is concluded from Table 11 that the level of compliance is around 62 percent of overall credit risk disclosure.

A maximum score of 1 and a minimum score of 0 are assigned to each credit risk disclosure. CR 26 focuses on credit risk exposure and how it arises, and a high mean of 100 percent of GCC financial institutes comply with CR 26. CR 27 discusses risk management objectives, policies, and processes, as well as risk measuring methodology, and CR 27 is fulfilled by 99 percent of the tested sample. Changes in credit risk exposures, credit risk assessment and objectives, policies, and risk management methods from the previous period are discussed in CR 28, which is disclosed by a mean of 9 percent of GCC financial institutes. CR 29 presents an overview of quantitative data on risk exposure as of the end of the reporting period, and a high mean of 95 percent of the tested sample met CR 29. If not presented in

the summary quantitative information, CR 30 demonstrates credit risk concentrations, and a mean of 56 percent of listed financial institutions in the GCC are compliant.

CR 31 is performed by 89 percent of the sample, and CR 31 represents the maximum value of credit risk exposure (before subtracting collateral value). CR 32 refers to an explanation of security collateral and other credit modifications, and a mean of 38 percent of the tested financial institutes are in compliance. CR 33 provides credit quality information for credit-risk financial assets that aren't past due or impaired, such as credit quality information and an explanatory grading system. A total of 66 percent of the sample is compliant with CR 33. CR 34 shows the total value of financial assets that are normally past due or impaired, but which conditions have also been renegotiated, and a mean of 43 percent are in compliance.

CR 35 examines the kind of financial assets as well as the age of capital instruments that are overdue for payment but not impaired as of the end of the reporting period, and a moderate mean of 60 percent of GCC financial institutions meeting CR 35. CR 36 shows the group of capital instruments and an assessment of the financial assets that were independently assessed to be impaired at the end of the reporting period, as well as the factors considered by the entity in deciding that they were impaired, such as: disclosing aspects involved in the impairment, carrying amount of impaired capital instruments, and amount of credit losses. CR 36 is performed by 98 percent of the sample.

CR 37 describes the entity's collateral held as securities or as a call on other credit improvements or as a call on other credit improvements for the amounts stated in IFRS 7, as well as an assessment of its fair value if possible. CR 37 is followed

by a mean of 38 percent of the tested sample. CR 38 shows the type and carrying amount of assets gained by claiming ownership of collateral preserved as security or as other credit enhancement, and these assets fulfill the recognition requirements on other criteria and a mean of 39 percent of GCC financial institutions meeting CR 38. CR 39 describes procedures for the disposal of assets or utilizing them in a business where the assets are not readily convertible into cash, and a mean of 43 percent of the sample fulfilling CR 39.

Table 11 summarizes credit risk disclosure, with a maximum score of 14 and a minimum score of 2. The average total credit risk score is 8.68, indicating that financial institutions in the GCC are not fully compliant with total credit risk disclosure. It is shown that the degree of compliance is around 56% of total credit risk disclosure. Each of the fourteen credit risk disclosure items (CR 25 to CR 39) is treated as a dummy variable (Maximum score is 1 and minimum is 0).

Table 11: Descriptive statistics of the credit risk

Disclosure items	N	Min.	Max.	Mean	Std. Deviation
CR 26	618	0	1	1.00	0.07
CR 27	618	0	1	0.99	0.09
CR 28	618	0	1	0.09	0.29
CR 29	618	0	1	0.95	0.22
CR 30	618	0	1	0.56	0.50
CR 31	618	0	1	0.89	0.31
CR 32	618	0	1	0.38	0.49
CR 33	618	0	1	0.66	0.48
CR 34	618	0	1	0.43	0.50
CR 35	617	0	1	0.60	0.49
CR 36	618	0	1	0.98	0.13
CR 37	618	0	1	0.38	0.49
CR 38	618	0	1	0.39	0.49
CR 39	617	0	1	0.43	0.50
TOTCR	621	2	14	8.68	3.361

5.3 Descriptive statistics of independent and control variables

Table 12 reveals the descriptive statistics for the following variables: independent variables and control variables. As evidenced by the minimum values and maximum values, the findings show that there is a large range of variance within the sample over the seven independent variables in this study (board size, board independence, gender diversity on the board, education qualification of board member, board experience, number of board meetings and board ownership).

The average size of the board (BSIZE) is 8 board members, with a maximum of 14 and a minimum of 4 board members. It is suggested by Jensen and Ruback (1983) a board with no more than 8 board of directors is enough to assuring performance. The average board size in the GCC is lower than the US board size (9 board members) (Beasley et al. 2005) and the Canadian board (10 board members) (Lajili, 2009). It is also less than what Elzahar and Hussainey (2012) indicate as the average board size in the UK is 11 board members. In addition, Samaha et al. (2012) state that the average board size for Egyptian enterprises is 10 board members. On the other side, the current result is more than what is reported in both UAE and Kuwait. According to Hassan (2014), the average board size for UAE registered enterprises is 7 board members, and Al-Shammari (2014) discovers a mean of 6 board members in Kuwait.

The mean of board independence (BINDEP) for listed financial institutions in the GCC is 44 percent, with maximum and minimum being 100 percent and 0 percent, respectively. This refers to the fact that listed GCC financial institutes have a comparatively good level of board independence. According to Beasley et al. (2005), 87 percent of American corporations have independent directors. In Egypt, according to Samaha et al. (2012), the mean of independent directors is 55 percent.

Elzahar and Hussainey (2012) report that the percentage of independent directors is roughly 68 percent of UK firms. A mean of 84 percent of the proportion of non-executive directors to total directors in Kuwaiti listed firms is found by Al-Shammari (2014). According to Moumen et al. (2016), the mean percent of independent directors in MENA emerging markets is 68 percent, whereas Ghazali and Weetman (2006) and Haniffa and Cooke (2002) indicate that independent directors account for 35 percent and 45 percent of Malaysian corporations, respectively.

As mentioned earlier in chapter 4, board gender diversity is treated as a dummy variable (the maximum score is 1 and the minimum is 0). Table 12 shows that the average board gender diversity (BFGEND) is 0.21 which refers that only 21 percent of GCC board members are females. However, the average board gender diversity in the GCC firms is higher than in Tunisian and Saudi firms. According to Salem et al. (2019), Women's presence on boards is very limited as the mean of female board members in Tunisian firms is 4 percent. Al-Maghzom et al. (2016) report that only 8 percent of Saudi board members are females.

The education qualification of board members (BEDUCA) is treated as a dummy variable (the maximum score is 1 and the minimum is 0). The mean of board members who hold a Master's or PhD degree is 0.86 and that indicates 86 percent of GCC board members are highly educated. According to Allini et al. (2016), having a good educational background allows senior management boards to monitor and be more effective. The result is in line with Al-Maghzom et al. (2016) who find an average of 0.7 of board members in the Kingdom of Saudi Arabia are holding a Master's or PhD degree, whereas Nkuutu et al. (2020) report that 47.7 percent of board member in Uganda are holding a Master's or PhD degree.

The mean board experience (BEXPER) in GCC financial enterprises is 26.44 years, implying that GCC board members have an average of roughly 26 years of expertise, which can have a positive and substantial influence on IFRS compliance. According to Nalukenge et al. (2018), strong board experience has a positive and considerable influence on IFRS compliance. The maximum years of experience on GCC boards are 46 years and the minimum is 11 years.

The average number of board meetings (BNMEET) in GCC financial firms is around 6 meetings each year, with a maximum of 23 meetings per year and a minimum of 2 meetings. Correia and Lucena (2020) suggest that frequent meetings enhance board member organization and communication as a governance mechanism. Therefore, an average of 6 meetings can be reasonable to minimize the likelihood of fraud risk (Correia and Lucena, 2020).

The board ownership (BOWNER) in GCC financial firms has a maximum score of 0.95% and a minimum of 0. The mean of board ownership is 0.09 percent, which indicates that the board of directors in GCC financial institutions holds an average of 9 percent of the firm's shares.

In this research, four control variables are examined (firm size, firm profitability, auditor quality, and the existence of an audit committee). The following are the descriptive results of the control variables. The average GCC financial firm size (FSIZE) is \$17,310,629,000 with a maximum of \$766,820,170,000 and a minimum of \$ 290,000. The mean of firm profitability (FROA) in the GCC is 1.04. The average firm profitability in the GCC is lower than in Ghana (6.34) (Agyei-Mensah, 2017) and in Tunis (4.68) (Salem et al., 2019). However, GCC firm profitability is more than Saudi Arabia (0.02) that is found by Al-Maghzom et al.

(2016). The maximum GCC firm profitability is 26.88 and the minimum is -22. The auditor quality (AUDITQ) is treated as a dummy variable (maximum score is 1 and minimum is 0). The mean auditor quality in the GCC is 0.76, which indicates that 76 percent of GCC financial firms are audited by the big 4 audit companies. This is in line with Agyei-Mensah (2017), who find an average of 81 percent of Ghana companies are audited by the big 4 audit companies. All GCC financial firms had audit committee members. Therefore, the existence of the audit committee variable is excluded from the test. This shows that every financial institution in the GCC is adhering to the country code regarding the formation of an audit committee.

Table 12: Independent and control variables - Descriptive statistics

Variables	Min.	Max.	Mean	Std. Deviation
Independent variables				
Board size (BSIZE)	4	14	8	1.80
Board independence (BINDEP)	0%	100%	44%	0.24
Board gender diversity (BFGEND)	0	1	0.21	0.41
Educational Qual. of B. M. (BEDUCA)	0	1	0.86	0.34
Board experience (BEXPER)	11	46	26.44	6.37
Number of B. meetings (BNMEET)	2	23	6.47	2.66
Board ownership (BOWNER)	0	0.95%	0.09%	0.16
Control variables				
Firm size (FSIZE) *\$ '000	290	766,820,170	17,310,629	61,603,354
Firm profitability (FROA)	-22	26.88	1.04	3.19
Auditor quality (AUDITQ)	0	1	0.76	0.43
Existence of AC (EXISAC)	1	1	1	0

5.4 Pearson correlation findings

Pearson correlation analysis illustrates information on the connection between board characteristics (independent variables) and the extent of compliance with IFRS 7 “Financial Instruments: Disclosure” by listed financial firms in GCC countries (the dependent variable).

Table 13 reveals a number of substantial links between the dependent and most independent variables. These indicate the possibility of at least some relationships among various variables used in the study. Table 13 presents a significant positive relationship between the dependent variable - the risk disclosure index (RISDIS) - and four independent variables (BSIZE, BEXPER, BEDUCA, and BNMEET). In addition, there is a substantial negative connection between the risk disclosure index (RISDIS) and two of the independent variables (BINDEP and BOWNER). Nevertheless, there is no substantial connection between RISDIS and one independent variable (BFGEND).

Multiple tests are performed to validate the data panel's qualification. The correlations matrix and tolerance and a variance inflation factor (VIF) are used to assess multi-collinearity. Table 13 presents the Pearson correlation coefficients among the independent variables. All the variables have a correlation of less than 0.372, indicating that there is no multi-collinearity since none of the variables have a correlation greater than 0.8 (Gujarati, 2003). As a result, the multi-collinearity issue does not present in this empirical investigation. Pallant (2001) states that if the tolerance level is extremely low (around 0); it means there might be several collinearities since various correlations with other variables are highly significant. In Table 14, the tolerance level is above 0.60 in all independent variables, demonstrating that multi-collinearity is not a problem. VIF is substantially lesser than 10, which is between 1.038 and 1.317. As a result, the VIFs are less than 10, indicating that there is no multi-collinearity concern (Kline, 2005).

In Table 13, the main dependent variable is RISDIS and it is the sum of 3 dependent variables, the variables are TOTMRK, TOTLIQ, and TOTCR. Table 13 reveals that there is a positive moderate correlation (0.278) between the board size

(BSIZE) and market risk disclosure (TOTMRK), which indicates that board size has a moderate positive influence on market risk disclosure that explains the interest rate, currency and other price risk. There is a weak substantial correlation (0.087) between board size and liquidity risk disclosure (TOTLIQ). Board size has a favorable moderate level of significance (0.459) with the credit risk disclosure (TOTCR), which indicates that credit risk exposures, late payment, impaired assets, security held, and credit risk rating are all indicators of credit risk quality is positively influenced by the number of board members. There is a substantial moderate correlation (0.419) between board size (BSIZE) and risk disclosure index (RISDIS) as the dependent variable. The result suggests that GCC financial institutes with a big board are more likely to adhere to risk reporting. This result is in line with Lajili (2009), Collins et al. (2013), Al-Shammari (2014), and Agyei-Mensah (2017). In addition, the result is consistent with Mokhtar and Mellett (2013) who show a substantial positive correlation between board size and risk reporting and state that this demonstrates a greater understanding among board members of their responsibility to promote financial disclosure. On the other side, the result is inconsistent with Al-Maghzom et al. (2016) who find an insignificant correlation between board size and risk disclosure.

Board independence (BINDEP) and market risk disclosure (TOTMRK) have a negative weak correlation (-0.224), which shows that interest rate, currency, and other price risk disclosure have an inverse relationship with board independence. The independent directors' percentage has a negative weak level of significance (-0.136) with credit risk disclosure (TOTCR). However, no substantial association is found between board independence and liquidity risk disclosure (TOTLIQ). The board independence (BINDEP) and risk disclosure index (RISDIS) as the dependent variable have a substantial weak correlation (-0.200). According to the finding, GCC

financial institutions with a big percentage of independent directors comply with risk reporting less. The finding is consistent with those of Eng and Mak (2003) and Barako et al. (2006), who find a substantial negative correlation between board independence and risk reporting and assume that a larger number of independent directors inhibits voluntary disclosure. However, the result contradicts those of Al-Maghzom et al. (2016), who report that independent directors had an insignificant connection with risk disclosure in Saudi registered banks.

All dependent variables (TOTMRK, TOTLIQ, TOTCR, and RISDIS) and board gender diversity (BFGEND) do not significantly correlate with one another. Table 13 shows that the extent of IFRS 7 (risk reporting disclosure) compliance is not significantly impacted by the presence of female board members. The finding is in line with those of Al-Maghzom et al. (2016), who report that board gender diversity in Saudi listed banks did not correlate with risk disclosure. The results, however, are at odds with those of Ntim et al. (2013), Allini et al. (2016), and Salem et al. (2019), who find a favorable correlation between gender and risk disclosure.

There is an insignificant weak correlation between the independent variable, board member educational qualification (BEDUCA), and the dependent variables, market risk disclosure (TOTMRK) and liquidity risk disclosure (TOTLIQ). This demonstrates that the board level of education has a very weak connection between interest rate-related products and stock risk disclosure, foreign currency risk, commodities risk disclosure across the bank, and liquidity risk disclosure. With credit risk disclosure (TOTCR) and risk disclosure index (RISDIS) at 0.134 and 0.080, respectively, board education (BEDUCA) has a positive weak level of significance. The findings show that board members in GCC financial institutions with a high degree of education are most likely to comply with IFRS 7 risk reporting

disclosure. However, the findings contradict with Gul and Leung (2002) and Allini et al. (2016), who find a negative correlation between educational qualifications and risk disclosure. In addition, Al-Maghzom et al. (2016) report that the educational background of the board of directors does not affect risk disclosure.

There is a substantial weak correlation between the independent variable, board experience (BEXPER), and all dependent variables (TOTMRK, TOTLIQ, TOTCR, and RISDIS) at 0.110, 0.033, 138, and 140, respectively. According to the findings, GCC financial institutions with a high number of board experience comply positively with risk reporting in accordance with IFRS 7. The finding is consistent with Nkuutu et al. (2020) who present a significant positive correlation between board expertise and risk disclosure compliance. On the other side, the findings contradict with Al-Maghzom et al. (2016), who find that board experience had a negatively substantial connection with risk disclosure in Saudi registered banks.

According to Table 13, there is a significant favorable correlation between the independent variable, the number of board meetings (BNMEET), and the dependent variables, market risk disclosure (TOTMRK) and liquidity risk disclosure (TOTLIQ), with correlation coefficients of 0.131 and 0.182, respectively. This suggests that having more board meetings improves the disclosure of interest rates, currency, other price risk, and liquidity risk disclosure. Board meetings have a moderately significant positive correlation (0.353) with credit risk disclosure (TOTCR). Additionally, there is a moderately significant link (0.310) between the dependent variable, the risk disclosure index (RISDIS), and the board meetings (BNMEET). According to the findings, GCC financial companies with higher frequent board meetings disclose higher risk disclosure in compliance with IFRS 7.

The result is inconsistent with Allini et al. (2016), who find no relation between board meetings and risk disclosure.

The board ownership (BOWNER) and market risk disclosure (TOTMRK) have a negative weak correlation (-0.203). There is a negative weak level of significance (-0.220) between BOWNER and credit risk disclosure (TOTCR). However, no substantial association is found between board ownership and liquidity risk disclosure (TOTLIQ). The board ownership (BOWNER) and risk disclosure index (RISDIS) have a negative significant weak correlation (-0.228). According to the result, the high percentage of shares owned by the board of directors has an inverse influence on risk disclosure in accordance with IFRS 7. The findings contradict the findings of Chau and Gray (2010), who find that greater shareholding is associated with more reporting.

Three control variables are tested. There is a substantial positive weak correlation between firm size (FSIZE) and the dependent variables (TOTMRK, TOTCR, and RISDIS) at 0.142, 0.109, and 0.140, respectively. The result is in line with Amran et al. (2009) and Al-Maghzom et al. (2016), who find a positively strong correlation between company size and risk disclosure. However, Mokhtar and Mellett (2013) find an insignificant correlation between firm size and risk disclosure. In line with Agyei-Mensah (2017), the finding indicates a non-significant connection between firm profitability (FROA) and all dependent variables (TOTMRK, TOTLIQ, TOTCR, and RISDIS). The findings indicate a positive moderate level of significance between auditor quality (AUDITQ) and the dependent variables (TOTMRK, TOTCR, and RISDIS) at 0.279, 0.472, and 0.428, respectively. Also, positive weak correlation between AUDITQ and TOTLIQ. However, this is inconsistent with Agyei-Mensah (2017) and Alshirah et al. (2021).

Table 13: Correlation among varies variables of the current research

Variables	BSIZE	BINDEP	BFGEND	BEDUCA	BEXPER	BNMEET	BOWNER	FSIZE	FROA	AUDITQ	TOTMRK	TOTLIQ	TOTCR	RISDIS
BSIZE	1													
BINDEP	0.040	1												
BFGEND	0.014	-0.045	1											
BEDUCA	0.179**	0.151**	0.075	1										
BEXPER	0.102*	-0.103*	-0.055	0.018	1									
BNMEET	0.128**	-0.263**	0.124**	0.067	0.070	1								
BOWNER	-0.264**	0.038	0.005	-0.206**	-0.068	-0.042	1							
FSIZE	0.212**	-0.059	-0.076	-0.037	-0.003	0.014	-0.099	1						
FROA	0.114**	0.041	-0.105**	-0.057	0.006	-0.012	0.028	0.050	1					
AUDITQ	0.372**	-0.118**	0.061	0.045	0.089*	0.134**	-0.275**	0.111**	0.155**	1				
TOTMRK	0.278**	-0.224**	0.056	-0.002	0.110**	0.182**	-0.203**	0.142**	0.001	0.279**	1			
TOTLIQ	0.087*	-0.030	-0.015	0.055	0.033	0.131**	-0.093	0.023	-0.007	0.090*	0.371**	1		
TOTCR	0.459**	-0.136**	0.031	0.134**	0.138**	0.353**	-0.220**	0.109**	-0.038	0.472**	0.527**	0.313**	1	
RISDIS	0.419**	-0.200**	0.047	0.080*	0.140**	0.310**	-0.228**	0.140**	-0.022	0.428**	0.863**	0.448**	0.881**	1

Table 14: Tolerance and Variance Inflation Factors (VIF)

Variables	Acronym	Tolerance	VIF
Board size	BSIZE	0.759	1.317
Board independence	BINDEP	0.962	1.039
Board gender diversity	BFGEND	0.925	1.081
Educational Qual. Of B. M.	BEDUCA	0.871	1.149
Board experience	BEXPER	0.963	1.038
Number of B. meetings	BNMEET	0.893	1.120
Board ownership	BOWNER	0.857	1.167
Firm size	FSIZE	0.921	1.086
Firm profitability	FROA	0.900	1.111
Auditor quality	AUDITQ	0.761	1.315

5.5 HMR findings for the risk disclosure

In order to examine the effects of the independent variables that are the board characteristics (board size, board independence, board gender diversity, board educational qualification, board experience, number of board meetings, and board ownership) and control variables (auditor quality, firm size, and firm profitability)

on the dependent variable (IFRS 7 risk disclosure compliance), hierarchical multiple regression (HMR) analysis is used in this empirical investigation using SPSS. To accomplish the goals of the current inquiry and examine the research hypotheses proposed previously in chapter three of the study, two main models (Models 1 and 2) are used. The regression results of these two main models are shown in Table 16 below, which shows that both models are significant at various adjusted R^2 values. Additional HMR models (Models 3, 4, 5, 6, 7, and 8) are conducted to test the effect of the independent variables (board characteristics) on the dependent variables, the main three elements of IFRS 7 risk disclosure; first: market risk disclosure (Models 3 and 4), second: liquidity risk disclosure (Models 5 and 6), and third: credit risk disclosure (Models 7 and 8).

Table 15 demonstrates the model's explanatory power as assessed by the R^2 and adjusted R^2 . The adjusted R^2 offers a better estimate of the underlying population value, particularly when the sample size is small (Tabachnick and Fidell, 1996). In the current investigation, the adjusted R^2 value is 0.404. The accounting literature in this area of research reports varied results for the adjusted R^2 . For example, 0.433 (Amran et al., 2009); 0.365 (Mokhtar and Mellett, 2013); 0.394 (Al-Shammari, 2014); 0.576 (Al-Maghzom et al., 2016); 0.396 (Agyei-Mensah, 2017); 0.297 (Salem et al., 2019) and 0.394 (Nkuutu et al., 2020).

Model 1 is statistically important (P value = 0.000) in explaining the dependent variable, with an F -value of 36.9 and an adjusted R^2 of 0.230, explaining 23 percent of the variation in risk disclosure. A significant result is found in this model for only one control variable namely AUDITQ. This indicates that financial institutes in the GCC that are audited by one of the big 4 audit companies are more likely to disclose risk disclosure in accordance with IFRS 7. This is consistent with

previous research (Mokhtar and Mellett, 2013, and Amrin, 2018), which found that businesses that are audited by the big 4 audit companies had a substantial influence on risk disclosure. However, the result contradicts with Al-Shammari (2014), Ahmad et al. (2015), and Agyei-Mensah (2017), who report insignificant results among auditor type and risk disclosure. The other control variables (FSIZE and FROA) are found insignificant and had no impact on IFRS 7 risk reporting compliance. The finding is consistent with Amran et al. (2009), Mokhtar and Mellett (2013), and Agyei-Mensah (2017) while other literature find a substantial effect between firm size and risk disclosure (Al-Shammari, 2014; Al-Maghzom et al., 2016; and Nkuutu et al., 2020). Also, found a significant effect between firm profitability and risk disclosure (Al-Shammari, 2014; Al-Maghzom et al., 2016; and Salem et al., 2019).

Additionally, Model 2 explains 40.4 percent of the variance in risk disclosure value and is statistically significant (P value is 0.000) in explaining the dependent variable (RISDIS) with an F-value of 15.904 and an adjusted R^2 of 0.404. This would support the legitimacy theory, which states that a firm should make all of its activities transparent in order to maintain a long-term relationship with its stakeholders (Freeman, 1994). Of the seven board characteristics variables, only three characteristics (BSIZE, BFGEND, and BNMEET) have a substantial effect on the dependent variable when measured by RISDIS. A significant result is found in this model for only one control variable namely AUDITQ. This suggests that GCC financial institutes audited by one of the big four audit companies are more likely to provide risk reporting in compliance with IFRS 7.

Table 15 reveals that there is a substantial positive association between the board size (BSIZE) and risk disclosure index (RISDIS) as the dependent variable.

The result is significant at 0.05. The result suggests that GCC financial institutes with large board members have more effect on IFRS 7 risk reporting compliance. This finding is also consistent with theories of agency and signaling. Bigger boards have a broader range of business expertise, which leads to increased effectiveness in the board's monitoring function and improved corporate accountability and disclosure. Furthermore, according to the related theories, larger boards may have higher incentives to report the efficacy of their risk management to shareholders. Lajili (2009), Mokhtar and Mellett (2013), Collins et al. (2013), Al-Shammari (2014), and Agyei-Mensah (2017) all support this view. They find a substantial positive link between board size and risk reporting, claiming that this reflects board members' increased knowledge of their obligation to encourage financial disclosure. Therefore, based on the above results, H1, which states that there is a significant positive association between board size and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is accepted.

The board independence (BINDEP) and risk disclosure index (RISDIS) have an insignificant results. The finding is statistically insignificant at $p > 0.05$. Based on this finding, the percentage of independent directors in the GCC does not affect the extent of risk disclosure in accordance with IFRS 7. The result supports the argument that the theory of agency does not imply that all members of the board of directors take on more responsibilities and provide more disclosure. The finding is consistent with those of Ho and Wong (2001), Abraham and Cox (2007), Deumes and Knechel (2008) Elzahar and Hussainery (2012), Ismail and Abdul Rahman (2012), and Agyei-Mensah (2017) who report that independent directors had an insignificant link with risk disclosure. However, the finding contradicts with what is reported by other previous studies who find that the proportion of independent directors on the board enhances voluntary disclosure (Chen and Courtenay, 2006;

Patteli and Prencipe, 2007; Donnelly and Mulcahy, 2008; and Navarro and Urquiza, 2015). In light of the above, H2 which states that there is a significant positive association between board independence and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is rejected.

Table 15 demonstrates that the representation of female board members has a significant negative influence on the extent of compliance with IFRS 7 (risk reporting disclosure). At 0.05, the result is significant and implies that gender diversity among GCC board members has a negative relationship with IFRS 7 risk reporting compliance. The result is also consistent with agency theory, which holds that gender has no influence on the effectiveness of a company's board of directors. Additionally, the result is consistent with those of Allini et al. (2014), who find that board gender diversity has a negative impact on risk disclosure. However, the result is at odds with those of Ntim et al. (2013), Al-Maghzom et al. (2016), Allini et al. (2016), and Salem et al. (2019), who report a positive significant association between gender and risk disclosure. Therefore, based on the above results, H3 which states that there is a significant association between board gender diversity and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is accepted.

Top management with a solid educational background is more likely to have higher technical skills and a more optimistic approach to risk disclosure options, potentially lowering information asymmetry (Hitt and Tyler, 1991). However, in this study there is an insignificant connection between the independent variable, board member educational qualification (BEDUCA), and risk disclosure (RISDIS). This demonstrates that the board level of education has a negative insignificant relationship with the extent of compliance with IFRS 7 risk disclosure. The finding

corresponds to the results of other related studies (Al-Maghzom et al., 2016), which find that the educational background of the board of directors has no impact on risk disclosure in Saudi Arabian registered banks. On the other side, this result is consistent with results reported by Gul and Leung (2002) and Allini et al. (2016) who conduct empirical research on this relationship and report a negative connection between educational qualification and risk disclosure. In light of the above, H4 which states that there is a significant association between the educational qualification of board members and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions is rejected.

There is a positive insignificant link between the independent variable, board experience (BEXPER), and the dependent variable, risk disclosure index (RISDIS). According to the theory of agency, Nalukenge et al. (2017) demonstrate that board financial experience increases monitoring skills and due diligence, which improves disclosure compliance. Additionally, Sellami and Fendri (2017) assert that having accounting and financial competence, as well as full awareness of the business's economic environment and more industry experience, increases corporate risk disclosure. However, according to the finding, the years of board experience have no effect on risk disclosure in accordance with IFRS 7. The result is similar to findings reported by Al-Maghzom et al. (2016) who observe that board experience had no effect on risk disclosure in Saudi registered banks. The result, on the other hand, contradicts the results of Nalukenge et al. (2018) and Nkuutu et al. (2020) who find a significant positive relationship between board expertise and risk disclosure compliance. Therefore, H5, which asserts that there is a significant association between board experience and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is rejected.

Further, Table 15 shows that the number of board meetings (BNMEET) and the risk disclosure index (RISDIS) have a significant positive relationship. This association is significant at $p < 0.05$. The result shows that GCC financial institutes with more regular board meetings have higher IFRS 7 risk reporting compliance rates. The result is in line with the agency theory, which holds that the frequency of board meetings has an impact on company performance. An increase in meeting frequency encourages discussion, openness about performance, and idea exchange to address agency issues. The outcome conflicts with Allini et al. (2016), who report no connection between board meetings and risk disclosure. As a result, H6 which asserts that there is a significant association between board meetings and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is accepted.

According to previous related studies, empirical research has found a diverse selection of results related to ownership distribution. Kothari (2000) reports that ownership distribution and dispersed management ownership encourage a considerable need for reporting. According to Chau and Gray (2010), greater ownership is linked to more non-mandatory disclosure. However, in this study there is no substantial link found between board ownership and the risk disclosure index (RISDIS). According to the finding, the high percentage of shares owned by a board of directors has no effect on risk disclosure in accordance with IFRS 7. The finding is consistent with those of Konishi and Ali (2007), who find an insignificant relationship between the ownership distribution pattern and the frequency of risk disclosure but they are still convinced that the two factors are connected. In addition, Konishi and Ali (2007) state that managers might own a substantial chunk of the stock and decide not to disclose full risk information. Therefore, based on the result, H7, which asserts that there is an association between board ownership and the

extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions, is rejected.

Table 15: Regression results (The risk disclosure index)

		Model 1			Model 2		
		B	T	Sig.	B	T	Sig.
	(constant)	16.627	26.831	0.000	7.261	3.667	0.000
Firm size	FSIZE	4.29E-13	1.931	0.054	2.55E-14	0.127	0.899
Firm profitability	FROA	-0.163	-1.596	0.111	-0.182	-1.952	0.052
Auditor quality	AUDITQ	7.257	10.062	0.000	4.849	6.819	0.000
Board size	BSIZE				0.954	5.617	0.000
Board independence	BINDEP				-1.963	-1.544	0.124
Board gender diversity	BFGEND				-1.408	-1.99	0.047
Edu. Qual. of B. M.	BEDUCA				-1.296	-1.285	0.200
Board experience	BEXPER				0.018	0.409	0.683
Number of B. meetings	BNMEET				0.922	7.081	0.000
Board ownership	BOWNER				-2.599	-1.505	0.133
R2			0.237			0.421	
Adjusted R2			0.230			0.404	
R2 change			0.237			0.184	
F-value			36.906			15.904	
Sig.			0.000			0.000	

Significant at the 0.05 level (2-tailed).

* Dependent Variable: RISDIS

The below table presents the summary of the hypotheses results. Only three of seven hypotheses are accepted.

Table 16: Summary of the study hypotheses results	Results
H1: There is a significant positive association between board size and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Accepted
H2: There is a significant positive association between board independence and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Rejected
H3: There is a significant association between board gender diversity and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Accepted
H4: There is a significant association between the educational qualification of board members and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Rejected
H5: There is a significant association between board experience and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Rejected
H6: There is a significant association between number of board meetings and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Accepted
H7: There is a significant association between board ownership and the extent of risk disclosure in accordance with IFRS 7 by GCC listed financial institutions.	Rejected

5.6 HMR findings for the risk disclosure by categories

Market risk disclosure, liquidity risk disclosure, and credit risk disclosure are the three categories of the major dependent variable, the risk disclosure index (RISDIS). Models 3 and 4 are for the dependent variable, market risk disclosure. Models 5 and 6 are for the dependent variable, liquidity risk disclosure. Models 7 and 8 are for the dependent variable, credit risk disclosure.

Model 3 is statistically important (P value = 0.000) in explaining the dependent variable (TOTMRK), with an F-value of 22.297 and an adjusted R² of

0.151, explaining 15.1 percent of the variation in the dependent variable (TOTMRK). Significant results are found in this model for two control variables namely FSIZE and AUDITQ. The result shows that big firm size has a substantial impact on market risk disclosure. In addition, it indicates that financial institutes in the GCC that are audited by one of the big 4 audit companies are more likely to comply with market risk disclosure. The other control variable (FROA) is found insignificant and had no impact on market risk reporting.

Model 4 is statistically substantial (P value is 0.000) in explaining the dependent variable (TOTMRK) with an F-value of 7.786 and an adjusted R^2 of 0.250. It explains 25 percent of the variation in the dependent variable (TOTMRK). Only BSIZE, BFGEND, and BNMEET, out of the seven board characteristic variables, significantly affect the dependent variable as determined by TOTMRK. In this model, AUDITQ is the sole control variable, which yields a significant result. This indicates that GCC financial institutes are more likely to disclose market risk in accordance with IFRS 7 if they have their annual reports audited by one of the big 4 audit companies.

Table 17 reveals a substantial positive connection between the dependent variable, market risk disclosure (TOTMRK), and board size (BSIZE). At 0.05, the outcome is significant. The finding implies that GCC financial institutions with a big board of directors have a greater impact on IFRS 7 market risk reporting compliance. Additionally, this result is in line with theories of agency and signaling. Bigger boards have a wider extensiveness of business knowledge, which improves corporate responsibility and disclosure while also increasing the efficacy of the board's monitoring function.

Market risk disclosure (TOTMRK) and board independence (BINDEP) have almost no impact. The result is statistically insignificant at $p > 0.05$. The result presents that the proportion of independent directors in the GCC has no impact on how much information about market risk is disclosed in compliance with IFRS 7. The outcome lends credence to the claim that the agency theory does not imply that all members of the board accept greater duties and make more disclosures.

Table 17 shows that the proportion of board members who are female has a significant negative impact on the level of compliance with IFRS 7 (disclosure about market risk). The outcome is significant at 0.05. According to the result, IFRS 7 market risk reporting compliance has a negatively strong association with gender diversity among GCC board members. This outcome is also in line with agency theory, which maintains that a company's board of directors' efficacy is unaffected by a person's gender.

There is an insignificant relationship between the independent variable, board member educational qualification (BEDUCA), and the dependent variable, market risk disclosure (TOTMRK). This demonstrates that the board level of education has a negative insignificant link with the extent of compliance with IFRS 7 market risk reporting. However, according to Hitt and Tyler (1991), top management with a strong educational foundation is more likely to have stronger technical capabilities and a more accommodating attitude toward risk disclosure alternatives, potentially reducing information asymmetry.

The independent variable, board experience (BEXPER), and the dependent variable, market risk disclosure (TOTMRK), are positively but insignificantly associated. The agency theory states that board financial competence increases

monitoring capacity and due diligence, which improves disclosure compliance. Nalukenge et al. (2017) provide evidence supporting this view. Furthermore, according to Sellami and Fendri (2017), increased corporate risk disclosure is a result of greater accounting and financial proficiency, a complete understanding of the business's economic environment, and more industry expertise. However, the finding shows that IFRS 7 market risk reporting is unaffected by the tenor of the board's expertise.

Table 17 demonstrates a substantial positive association between the independent variable, the number of board meetings (BNMEET), and the dependent variable, the market risk disclosure (TOTMRK). The result is significant at $p < 0.05$. The finding indicates that GCC financial companies had greater compliance rates with IFRS 7 market risk reporting when their boards met more frequently. The outcome supports the agency theory, which contends that board meeting frequency affects business success. In order to solve agency problems, meeting frequency should be increased as this promotes conversation, openness regarding performance, and idea sharing.

The connection between board ownership (BOWNER) and market risk disclosure (TOTMRK) is insignificant. The finding states that IFRS 7 market risk disclosure is unaffected by the large number of shares owned by the board of directors. However, according to previous studies in this field, Kothari (2000) finds a high need for reporting is fostered by the ownership distribution structure and dispersed managerial ownership.

Table 17: Regression results (Market risk)

		Model 3			Model 4		
		B	T	Sig.	B	T	Sig.
	(constant)	8.097	24.401	0.000	4.828	4.264	0.000
Firm size	FSIZE	2.452E-13	2.061	0.040	7.729E-14	0.669	0.504
Firm profitability	FROA	-0.023	-0.416	0.677	-0.039	-0.735	0.463
Auditor quality	AUDITQ	2.920	7.560	0.000	2.028	4.989	0.000
Board size	BSIZE				0.355	3.653	0.000
Board independence	BINDEP				-0.677	-0.931	0.352
Board gender diversity	BFGEND				-0.804	-1.987	0.048
Edu. Qual. Of B. M.	BEDUCA				-0.987	-1.711	0.088
Board experience	BEXPER				0.016	0.669	0.504
Number of B. meetings	BNMEET				0.357	4.795	0.000
Board ownership	BOWNER				-1.646	-1.667	0.096
R2			0.158			0.271	
Adjusted R2			0.151			0.250	
R2 change			0.158			0.113	
F-value			22.297			7.786	
Sig.			0.000			0.000	

Significant at the 0.05 level (2-tailed).

*Dependent Variable: TOTMRK

Model 5 is statistically insignificant (P value is 0.124) in explaining the dependent variable (TOTMRK), with an F-value of 1.931 and an adjusted R² of 0.008, explaining 0.80 percent of the variation in the dependent variable (TOTLIQ). Only one control variable, AUDITQ, yields a significant result in this model. According to the finding, GCC financial firms that are audited by one of the big four audit companies are more likely to comply with liquidity risk disclosure. The other control variables (FSIZE and FROA) are determined to be minor and had no effect on liquidity risk disclosure.

Model 6 is statistically important (P value is 0.001) in explaining the dependent variable (TOTLIQ) with an F-value of 3.625 and an adjusted R² of 0.056. It explains 5.60 percent of the variation in the dependent variable (TOTLIQ). Only BEDUCA and BNMEET, out of the seven board characteristic variables,

significantly affect the dependent variable as determined by TOTLIQ. In this model, there is no substantial connection between the liquidity risk disclosure (TOTLIQ) and all control variables. This indicates that the liquidity risk disclosure in GCC financial institutes is not affected by the following control variables; firm size, firm profitability, and auditor quality.

Table 18 shows an insignificant positive connection between the dependent variable, liquidity risk disclosure (TOTLIQ), and board size (BSIZE). The result suggests that the size of GCC financial institutions' boards has no effect on IFRS 7 liquidity risk reporting compliance. On the other hand, the outcome contradicts with the theories of agency and signaling, which state that larger boards have a broader range of business expertise, which promotes corporate accountability and disclosure while also boosting the effectiveness of the board's monitoring function.

There is an insignificant association between board independence (BINDEP) and liquidity risk disclosure (TOTLIQ). The outcome is not statistically significant. The outcome demonstrates that the amount of information concerning liquidity risk given in accordance with IFRS 7 is unaffected by the percentage of independent directors in the GCC. The result supports the argument that the agency theory does not need all board members to undertake additional responsibilities and provide more information.

Table 18 demonstrates that the existence of female board members has no influence on the level of compliance with IFRS 7 (disclosure about liquidity risk). The result is not significant ($P > 0.05$). According to the statistics, gender diversity among GCC board members is negatively associated with IFRS 7 liquidity risk reporting compliance. This finding is also consistent with agency theory, which

holds that a person's gender has no effect on how effective a board of directors for a firm is.

There is a substantial relationship between the independent variable, board member educational qualification (BEDUCA), and the dependent variable, liquidity risk disclosure (TOTLIQ). This demonstrates that the board level of education has a positive significant connection with the extent of compliance with IFRS 7 liquidity risk reporting. The result is in line with Hitt and Tyler (1991), who state that top management with a solid educational background is more likely to have higher technical capabilities and a more receptive attitude toward risk disclosure options, potentially lowering information asymmetry.

Liquidity risk disclosure (TOTLIQ), a dependent variable, and board experience (BEXPER), an independent variable, have an insignificant but positive association. According to the theory of agency, board financial competence enhances oversight and due diligence, which improves disclosure compliance. Nalukenge et al. (2017) show evidence in favor of this assertion. Additionally, increasing corporate risk disclosure, in accordance with Sellami and Fendri (2017), is the outcome of increased accounting and financial competency, a thorough grasp of the company's economic environment, and industry experience. However, the result demonstrates that the scope of the board's competence has no effect on IFRS 7 liquidity risk reporting.

In Table 18 there is a significant and positive connection between the independent variable, the number of board meetings (BNMEET), and the dependent variable, the liquidity risk disclosure (TOTLIQ). At $p < 0.05$, the outcome is significant. According to the finding, GCC financial businesses with more regular

board meetings had higher compliance rates with IFRS 7 liquidity risk reporting. The finding is consistent with the agency theory, which claims that the frequency of board meetings has an effect on company success. Meeting frequency should be increased in order to address agency problems since this encourages discourse, transparency regarding performance, and idea exchange.

The association between board ownership (BOWNER) and liquidity risk disclosure (TOTLIQ) is shown to be insignificant. According to the study's findings, the high number of shares controlled by the board of directors has no effect on IFRS 7 liquidity risk disclosure compliance. However, according to earlier related research in this study, Kothari (2000) reports that the ownership distribution structure and management ownership create a high requirement for reporting.

Table 18: Regression results (Liquidity risk)

		Model 5			Model 6		
		B	T	Sig.	B	T	Sig.
	(constant)	2.830	53.395	0.000	2.186	11.647	0.000
Firm size	FSIZE	5.912E-15	0.311	0.756	1.167E-15	0.061	0.951
Firm profitability	FROA	-0.006	-0.660	0.510	-0.004	-0.498	0.619
Auditor quality	AUDITQ	0.144	2.328	0.020	0.042	0.626	0.532
Board size	BSIZE				0.025	1.564	0.119
Board independence	BINDEP				0.186	1.540	0.124
Board gender diversity	BFGEND				-0.049	-0.728	0.467
Edu. Qual. Of B. M.	BEDUCA				0.242	2.531	0.012
Board experience	BEXPER				1.860E-5	0.005	0.996
Number of B. meetings	BNMEET				0.035	2.858	0.005
Board ownership	BOWNER				-0.068	-0.418	0.676
R2			0.016			0.082	
Adjusted R2			0.008			0.056	
R2 change			0.016			0.067	
F-value			1.931			3.625	
Sig.			0.124			0.001	

Significant at the 0.05 level (2-tailed).

*Dependent Variable: TOTLIQ

Model 7 explains 26.3 percent of the variation in credit risk disclosure and is statistically substantial (P value = 0.000) in explaining the dependent variable (TOTCR), with an F-value of 43.748 and an adjusted R² of 0.263. This model yields significant results for two control variables, FROA and AUDITQ. The finding demonstrates that profitable GCC financial institutions have a considerable influence on credit risk disclosure. Additionally, it suggests that GCC financial firms that are audited by one of the big four audit companies are more likely to comply with credit risk disclosure. The other control variable (FSIZE) is discovered to be minor and has no effect on credit risk reporting.

Model 8 is statistically important (P value is 0.000) in explaining the dependent variable (TOTCR) with an F-value of 21.045 and an adjusted R² of 0.471. It explains 47 percent of the variation in the dependent variable (TOTCR). Only BSIZE, BINDEP, and BNMEET, out of the seven board characteristic variables, significantly affect the dependent variable as determined by TOTCR. In this model, two control variables yield a significant result (FROA and AUDITQ). The result shows a negative substantial relationship between credit risk disclosure and firm profitability, which indicates that GCC financial institutes disclose more information related to credit risk when they report a low profit. It is found that there is positive substantial relation between credit risk disclosure and auditor quality, and this indicates that GCC financial institutes are more likely to report credit risk in accordance with IFRS 7 if they have their annual reports audited by one of the big 4 audit companies.

Table 19 shows that the dependent variable, credit risk disclosure (TOTCR), and board size (BSIZE) have a significant positive connection. The result is significant at 0.05. According to the data, financial institutions in the GCC with a

sizable board of directors have a bigger influence on IFRS 7 credit risk reporting compliance. This outcome also agreed with theories of agency and signaling. Larger boards have a greater depth of business expertise, which enhances corporate accountability and disclosure and boosts the effectiveness of the board's monitoring role.

Board independence (BINDEP) and credit risk disclosure (TOTCR) have a negative significant relationship. At $p < 0.05$, the result is statistically significant. The finding indicates that a larger percentage of independent directors in the GCC will have a negative influence on how much credit risk information is published in accordance with IFRS 7. The result supports the argument that the agency theory does not need all board members to undertake additional responsibilities and provide more information.

Table 19 demonstrates that the existence of female board members has no effect on the amount of compliance with IFRS 7 (disclosure about credit risk). The result is statistically insignificant ($P > 0.05$). This result is also consistent with agency theory, which holds that a person's gender has no influence on how effective a board of directors for an enterprise performs.

The association between the independent variable, board member educational qualification (BEDUCA), and the dependent variable, credit risk disclosure (TOTCR), is insignificant. This reveals that the level of compliance with IFRS 7 credit risk reporting is negatively connected with the board's level of education. However, according to Hitt and Tyler (1991), senior management with a solid educational background is more likely to lead to a more open attitude toward risk disclosure options, thus lowering information asymmetry.

Board experience (BEXPER), an independent variable, and credit risk disclosure (TOTCR), a dependent variable, have an insignificant positive relationship. According to the theory of agency, board financial competence boosts oversight and due diligence, which improves disclosure compliance. Nalukenge et al. (2017) present evidence in favor of this assumption. Additionally, increasing corporate risk disclosure, in accordance with Sellami and Fendri (2017), is the outcome of increased accounting and financial competency, a thorough grasp of the company's economic environment, and industry experience. Nevertheless, the result demonstrates that the scope of the board's competence has no influence on IFRS 7 credit risk reporting.

The dependent variable, the credit risk disclosure (TOTCR), and the independent variable, the number of board meetings (BNMEET), are shown to be significantly positively associated in Table 19. At $p < 0.05$, the outcome is significant. According to the data, GCC financial institutions with more regular board meetings had higher compliance rates with IFRS 7 credit risk reporting. The finding is consistent with the agency theory, which claims that the frequency of board meetings has an impact on company success. Meeting frequency should be increased in order to address agency conflicts since this encourages discourse, transparency regarding performance, and idea exchange.

The association between board ownership (BOWNER) and credit risk disclosure (TOTCR) is insignificant. According to the study's findings, the significant number of shares controlled by the board of directors has no effect on IFRS 7 credit risk disclosure.

Table 19: Regression results (Credit risk)

		Model 7			Model 8		
		B	T	Sig.	B	T	Sig.
	(constant)	5.700	17.577	0.000	0.246	0.247	0.805
Firm size	FSIZE	1.778E-13	1.529	0.127	-5.292E-14	-0.520	0.603
Firm profitability	FROA	-0.135	-2.516	0.012	-0.138	-2.944	0.003
Auditor quality	AUDITQ	4.194	11.111	0.000	2.778	7.752	0.000
Board size	BSIZE				0.574	6.706	0.000
Board independence	BINDEP				-1.471	-2.296	0.022
Board gender diversity	BFGEND				-0.555	-1.558	0.120
Edu. Qual. Of B. M.	BEDUCA				-0.552	-1.085	0.279
Board experience	BEXPER				0.001	0.051	0.959
Number of B. meetings	BNMEET				0.530	8.072	0.000
Board ownership	BOWNER				-0.884	-1.016	0.310
R2			0.269			0.485	
Adjusted R2			0.263			0.471	
R2 change			0.269			0.217	
F-value			43.748			21.045	
Sig.			0.000			0.000	

Significant at the 0.05 level (2-tailed).

*Dependent Variable: TOTCR

5.7 Chapter summary

The findings from eight regression models relating to IFRS 7 risk disclosure compliance in GCC listed financial institutions are presented in this chapter. The chapter provides eight regression models employing the linear regression methodology, along with full descriptive statistics, Pearson correlation, and regression models. It also displays the results of evaluating the study hypotheses on how board characteristics affect the level of risk disclosure compliance reported by financial institutes listed in the GCC in compliance with IFRS.

Chapter Six: Conclusions and Implications of the Study

5.1 Introduction

5.2 Conclusions

5.3 Implications

5.4 Limitations

5.5 Recommendations

Chapter Six

Conclusions and Implications of the Study

6.1 Introduction

The current research adds to the accounting literature by investigating the influence of board characteristics on the extent of compliance with IFRS 7 of listed financial firms in GCC stock exchanges. More precisely, the study intends to investigate the impact of seven board characteristics (board size, board independence, board ownership, board gender diversity, number of board meetings, educational qualification of board members, and board experience) on IFRS 7 risk disclosure requirements of registered financial institutes in the GCC. The empirical work of this study is based on 621 firm observations collected over a three-year period from 2018 to 2020. The extent of IFRS 7 compliance is evaluated by using a disclosure index comprised of a set of risk disclosure elements drawn from IFRS 7 and prior research (Tauringana and Chithambo, 2016; and Agyei-Mensah, 2017). To fulfill the study's goal, three statistics (descriptive statistics, correlations analysis, and regression analysis) are utilized. This chapter contains the study's conclusions, implications, limitations, and recommendations which are based on the key findings.

6.2 Conclusions

According to the researcher's best knowledge, this is the first study to test the effect of board characteristics on compliance with IFRS 7 risk disclosure requirements in the Gulf region. It helps to improve understanding of the association among specific corporate governance mechanisms and IFRS 7 compliance, such as board characteristics of GCC listed financial corporations. This empirical research is based on data collected from 207 listed financial organizations in the six GCC countries of

Bahrain, KSA, Kuwait, Oman, Qatar, and the UAE during a three-year period (2018, 2019, and 2020). Using Pearson correlation analysis and the multivariate regression analysis (HMR), the influence of board characteristics on IFRS 7 risk disclosure compliance is examined. Models 1 and 2 are formulated to characterize the dependent variable, IFRS 7 risk disclosure, and both models are significant with differing adjusted R square thresholds.

According to the findings of this empirical inquiry, only three independent variables out of the seven independent variables had a substantial influence on the dependent variable IFRS 7 compliance. The study reveals that there is a positive association between IFRS 7 risk disclosure compliance and the independent variable (board size), with the current study supporting the argument that the larger the board size, the greater a firm's level of IFRS 7 disclosure compliance. Similarly, there is a positive association between IFRS 7 risk disclosure compliance and the frequency of board meetings, with the current study supporting the argument that the more board meetings a business has, the greater its degree of IFRS 7 disclosure compliance. Furthermore, it is found that there is a negative association between IFRS 7 risk disclosure compliance and board gender diversity implying that the existence of a female board member negatively impacts a firm's degree of IFRS 7 disclosure compliance. Overall, it is determined that the size of the board and the frequency of board meetings have a substantial positive link with IFRS 7 risk disclosure compliance. Moreover, other independent variables such as board independence, educational qualifications of board members, board experience, and board ownership do not explain the IFRS 7 risk disclosure compliance. In light of this, it can be said that a company's board characteristics, such as board size, gender diversity, and the frequency of board meetings, are regarded to have an insignificant influence on IFRS 7 risk disclosure compliance. In this approach, an organization

with an effective board of directors would enhance its IFRS 7 risk disclosure obligations.

6.3 Implications

The results of the present study have a number of significant implications, including enlightening bank stakeholders, regulatory agencies, and other interested parties about the significance of board characteristics, that can be used to supplement IFRS 7 risk reporting in the financial sector in an attempt to ensure the accuracy of the information and greater market efficiency in emerging markets in general, and in GCC countries in particular. The results of the current investigation have both theoretical and practical implications. Theoretically, this research might provide a substantial contribution to the important area of accounting research relating to determinants of IFRS 7 risk disclosure compliance and its disclosure requirements, which are important for various parties interested in listed companies such as investors, creditors, regulators, and others. The empirical findings have a set of relevant implications. First, it could offer more insightful data on the variables affecting risk disclosure. Second, the empirical findings on the interpretation of IFRS 7 risk disclosure can also be helpful to accounting and risk authorities by revealing the shortcomings of risk disclosure in the GCC and creating a clearer image of the risk factors that influence listed financial institutions. Third, the study's empirical findings are notable because they address governance concerns and the protection of shareholders' and investors' interests, which might help to advance governance standards more broadly.

6.4 Limitations

There are a number of potential limitations to this study.

- The goal of the current study is to discover how board characteristics affect how well GCC listed financial enterprises adhere to IFRS 7. Therefore, its results might not be applied to other listed companies outside of the GCC countries.
- The results of the present study may only apply to listed financial institutions in the GCC due to variations in regulatory requirements; hence, they are not generalizable to other listed non-financial institutions.
- Although it is intended to cover all listed financial firms in GCC, only 207 financial institutions are ultimately chosen owing to data availability concerns. This suggests that rather than including all listed companies in GCC countries, the results may be limited to the sampled listed financial institutions.
- Only board characteristics are incorporated in this study. As per previous literature, other corporate governance factors may have an effect on risk disclosure, which adds another limitation to the current study.
- The current study covers a period of three years (2018-2020). However, expanding this time frame can provide this study with a new perspective and enhance its results.
- A portion of the information is manually collected from the annual reports of each sampled company. Therefore, there might be some human mistakes given due to the vast amount of needed data.
- The researcher has made every attempt to obtain the most efficient and effective findings possible despite the numerous constraints.

6.5 Recommendations

The researcher suggests the following points in light of the previous limitations of the present study:

- There is a need for future research to investigate the effect of board characteristics on IFRS 7 disclosure in other countries outside the GCC area such as countries in the MENA region.
- Future research may accomplish comparative studies within GCC countries and with other non-GCC countries to investigate differences, if any, among countries and any discrepancies in the factors of risk disclosure across such countries.
- Future studies may include other corporate governance characteristics such as those of audit committees and other managerial characteristics which are not examined in the current research.
- The present research includes three years of analyses. Therefore, future studies are encouraged to cover longer time periods.
- Future researchers are encouraged to incorporate areas disregarded in this research, such as non-financial institutions, which are outside the scope of the current study.

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List of Appendices

APPENDIX A: Detailed descriptive statistics

Board gender diversity (BFGEND)				
	Frequency	Percent	Valid Percent	Cumulative Percent
No Female	492	79.2%	79.2	79.2
Female Existence	129	20.8%	20.8	100.0
Total	621	100.0	100.0	

Educational qualification of board members (BEDUCA)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BSc and below	84	13.5%	13.5	13.5
	Above BSc	536	86.3%	86.5	100.0
	Total	620	99.8%	100.0	
Missing	System	1	0.2		
Total		621	100%		

Auditor quality (AUDITQ)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a Big 4	147	23.7%	23.7	23.7
	A big 4	474	76.3%	76.3	100.0
	Total	621	100%	100.0	

APPENDIX B: List of firms included in the study

List of GCC financial firms	Country	Type
Ahli United Bank	Kingdom of Bahrain	Bank
Al Salam Bank-Bahrain	Kingdom of Bahrain	Bank
Bahrain Islamic Bank	Kingdom of Bahrain	Bank
BBK	Kingdom of Bahrain	Bank
Ithmaar Bank	Kingdom of Bahrain	Bank
Khaleeji Commercial Bank	Kingdom of Bahrain	Bank
National Bank of Bahrain	Kingdom of Bahrain	Bank
Al Baraka Banking Group	Kingdom of Bahrain	Bank
Arab Banking Corporation	Kingdom of Bahrain	Bank
Bahrain Commercial Facilities Company	Kingdom of Bahrain	Bank
Bahrain Middle East Bank	Kingdom of Bahrain	Bank
Esterad Investment Company	Kingdom of Bahrain	Investment
GFH Financial Group	Kingdom of Bahrain	Investment
INOVEST	Kingdom of Bahrain	Investment
Investcorp Holdings	Kingdom of Bahrain	Investment
United Gulf Holding Company	Kingdom of Bahrain	Investment
United Gulf Investment Corporation	Kingdom of Bahrain	Investment
Arab Insurance Group	Kingdom of Bahrain	Insurance
Bahrain & Kuwait Insurance Company	Kingdom of Bahrain	Insurance
Bahrain National Holding Company	Kingdom of Bahrain	Insurance
Solidarity Bahrain	Kingdom of Bahrain	Insurance
Takaful International Company	Kingdom of Bahrain	Insurance
Al Rajhi Banking and Investment Corporation	Kingdom of Saudi Arabia	Bank
Alawwal Bank	Kingdom of Saudi Arabia	Bank
Alinma Bank	Kingdom of Saudi Arabia	Bank
Arab National Bank	Kingdom of Saudi Arabia	Bank
Bank AlBilad	Kingdom of Saudi Arabia	Bank
Bank AlJazira	Kingdom of Saudi Arabia	Bank
Banque Saudi Fransi	Kingdom of Saudi Arabia	Bank
Riyad Bank	Kingdom of Saudi Arabia	Bank
SAMBA Financial Group	Kingdom of Saudi Arabia	Bank
The National Commercial Bank	Kingdom of Saudi Arabia	Bank
The Saudi British Bank	Kingdom of Saudi Arabia	Bank

The Saudi Investment Bank	Kingdom of Saudi Arabia	Bank
Gulf international bank	Kingdom of Saudi Arabia	Bank
Tawuniya insurance and reinsurance	Kingdom of Saudi Arabia	Insurance
MEDGULF insurance and reinsurance	Kingdom of Saudi Arabia	Insurance
Malath cooperative insurance	Kingdom of Saudi Arabia	Insurance
SABB takaful	Kingdom of Saudi Arabia	Insurance
Arabian Shield Cooperative Insurance	Kingdom of Saudi Arabia	Insurance
Alahli Takaful Company	Kingdom of Saudi Arabia	Insurance
SAICO	Kingdom of Saudi Arabia	Insurance
Gulf Union Al Ahlia Cooperative Insurance	Kingdom of Saudi Arabia	Insurance
Allianz Saudi Fransi Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Al-Etihad Co-operative Insurance Co.	Kingdom of Saudi Arabia	Insurance
Al Sagr Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Arabia Insurance Cooperative Company	Kingdom of Saudi Arabia	Insurance
Walaa Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Bupa Arabia For Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
United Cooperative Assurance	Kingdom of Saudi Arabia	Insurance
Allied Cooperative Insurance Group	Kingdom of Saudi Arabia	Insurance
Alrajhi Takaful	Kingdom of Saudi Arabia	Insurance
Chubb Arabia Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Al Alamiya for Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
AXA Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Gulf General Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Buruj Cooperative Insurance	Kingdom of Saudi Arabia	Insurance
Wataniya Insurance Company	Kingdom of Saudi Arabia	Insurance
Amana Cooperative Insurance	Kingdom of Saudi Arabia	Insurance
Saudi Enaya Cooperative Insurance Company	Kingdom of Saudi Arabia	Insurance
Alinma Tokio Marine Company	Kingdom of Saudi Arabia	Insurance
Aljazira Takaful Taawuni Co	Kingdom of Saudi Arabia	Insurance
taiba investment Co.	Kingdom of Saudi Arabia	Investment
Arriyadh Development Co.	Kingdom of Saudi Arabia	Investment
Dar Alarkan Real Estate Development Co.	Kingdom of Saudi Arabia	Investment
Jabal Omar Development Co.	Kingdom of Saudi Arabia	Investment
Red Sea International Co.	Kingdom of Saudi Arabia	Investment
Kingdom Holding Co.	Kingdom of Saudi Arabia	Investment
Al-Baha Investment and Development Co.	Kingdom of Saudi Arabia	Investment

Ahli United Bank	State of Kuwait	Bank
Al Ahli Bank of Kuwait	State of Kuwait	Bank
Boubyan Bank	State of Kuwait	Bank
Burgan Bank	State of Kuwait	Bank
Gulf Bank	State of Kuwait	Bank
Kuwait Finance House	State of Kuwait	Bank
Kuwait International Bank	State of Kuwait	Bank
National Bank of Kuwait	State of Kuwait	Bank
The Commercial Bank of Kuwait	State of Kuwait	Bank
Warba Bank	State of Kuwait	Bank
Kuwait Insurance Co	State of Kuwait	Insurance
Gulf Insurance Group	State of Kuwait	Insurance
Al Ahleia Insurance Co	State of Kuwait	Insurance
Warba Insurance	State of Kuwait	Insurance
Kuwait Reinsurance Co	State of Kuwait	Insurance
First Takaful Insurance	State of Kuwait	Insurance
Wethaq Takaful Insurance	State of Kuwait	Insurance
Kuwait Investment Co KSCP	State of Kuwait	Investment
Commercial Facilities Co S.A.K	State of Kuwait	Investment
International Financial Advisors Holding	State of Kuwait	Investment
National Investments Co	State of Kuwait	Investment
Kuwait Projects Holding	State of Kuwait	Investment
Coast Investment and Development	State of Kuwait	Investment
The Securities House K.S.C	State of Kuwait	Investment
Arzan Financial Group For Financing And Investment	State of Kuwait	Investment
Kuwait Financial Centre	State of Kuwait	Investment
Kuwait and Middle East Financial Investment	State of Kuwait	Investment
First Investment	State of Kuwait	Investment
Al Mal Investment	State of Kuwait	Investment
Gulf Investment House	State of Kuwait	Investment
Aayan Leasing and Investment	State of Kuwait	Investment
Bayan Investment	State of Kuwait	Investment
Osoul Investment	State of Kuwait	Investment
Kuwait Finance and Investment Co	State of Kuwait	Investment
KAMCO Investment	State of Kuwait	Investment
Al Deera Holding	State of Kuwait	Investment

Ektitab Holding	State of Kuwait	Investment
Noor Financial Investment Co	State of Kuwait	Investment
Tamdeen Investment Co KPSC	State of Kuwait	Investment
Asiya Capital Investments Co	State of Kuwait	Investment
Umm Al Qaiwain General Investment Co PSC	State of Kuwait	Investment
AL-MANAR FINANCING AND LEASING CO KSCP	State of Kuwait	Investment
Boursa Kuwait Securities Co KPSC	State of Kuwait	Investment
Amar for Finance and Leasing	State of Kuwait	Investment
Ahli Bank	Sultanate of Oman	Bank
Alizz Islamic Bank	Sultanate of Oman	Bank
Bank Dhofar	Sultanate of Oman	Bank
Bank Muscat	Sultanate of Oman	Bank
Bank Nizwa	Sultanate of Oman	Bank
Bank Sohar	Sultanate of Oman	Bank
HSBC Bank Oman	Sultanate of Oman	Bank
National Bank of Oman	Sultanate of Oman	Bank
oman arab bank	Sultanate of Oman	Bank
Arabia falcon insurance	Sultanate of Oman	Insurance
Ahlia insurance	Sultanate of Oman	Insurance
Muscat insurance	Sultanate of Oman	Insurance
Madina takaful	Sultanate of Oman	Insurance
Dhofar insurance	Sultanate of Oman	Insurance
Takaful oman	Sultanate of Oman	Insurance
National life insurance	Sultanate of Oman	Insurance
Oman Qatar insurance	Sultanate of Oman	Insurance
Oman united insurance	Sultanate of Oman	Insurance
Vision insurance	Sultanate of Oman	Insurance
NAT. REAL ESTATE	Sultanate of Oman	Bank
AL MADINA INV.	Sultanate of Oman	Bank
AL OMANIYA FIN.S	Sultanate of Oman	Bank
AL BATINAH DEV.	Sultanate of Oman	Bank
DHOFAR INT.	Sultanate of Oman	Bank
FINANCIAL CORP.	Sultanate of Oman	Bank
GLOBAL INV. H	Sultanate of Oman	Bank
UNITED FINANCE	Sultanate of Oman	Bank
TAAGEER FINANCE	Sultanate of Oman	Bank

OMAN EMIRATES HO	Sultanate of Oman	Bank
NATIONAL FINANCE	Sultanate of Oman	Bank
ALANWAR INVESTMENT	Sultanate of Oman	Bank
MUSCAT FINANCE	Sultanate of Oman	Bank
OMINVEST	Sultanate of Oman	Bank
AL SHARQIA INV.	Sultanate of Oman	Bank
FINANCIAL SERV.	Sultanate of Oman	Bank
Ahli Bank	State of Qatar	Bank
Al Khalij Commercial Bank	State of Qatar	Bank
Doha Bank	State of Qatar	Bank
Masraf Al Rayan	State of Qatar	Bank
Qatar International Islamic Bank	State of Qatar	Bank
Qatar Islamic Bank	State of Qatar	Bank
Qatar National Bank	State of Qatar	Bank
The Commercial Bank	State of Qatar	Bank
Qatar first bank	State of Qatar	Bank
Dlala	State of Qatar	Bank
Qatar Oman	State of Qatar	Bank
Qatar insurance	State of Qatar	Insurance
Doha insurance	State of Qatar	Insurance
QLM insurance	State of Qatar	Insurance
Alkhaleej takaful	State of Qatar	Insurance
Qatar Islamic insurance	State of Qatar	Insurance
Abu Dhabi Commercial Bank	United Arab Emirates	Bank
Abu Dhabi Islamic Bank	United Arab Emirates	Bank
Bank of Sharjah	United Arab Emirates	Bank
Commercial Bank International	United Arab Emirates	Bank
First Abu Dhabi Bank	United Arab Emirates	Bank
National Bank of Fujairah	United Arab Emirates	Bank
National Bank of Umm Al Qaiwain	United Arab Emirates	Bank
Sharjah Islamic Bank	United Arab Emirates	Bank
The National Bank of Ras Al Khaimah	United Arab Emirates	Bank
United Arab Bank	United Arab Emirates	Bank
Union National Bank	United Arab Emirates	Bank
United Fidelity Insurance Company	United Arab Emirates	Insurance
National Takaful Company (Watania)	United Arab Emirates	Insurance

Ras Alkhaima National Insurance Co.	United Arab Emirates	Insurance
Insurance House	United Arab Emirates	Insurance
Methaq Takaful Insurance Compnay	United Arab Emirates	Insurance
Sharjah Insurance Company	United Arab Emirates	Insurance
AXA Green Crescent Insurance	United Arab Emirates	Insurance
Emirates Insurance Co.	United Arab Emirates	Insurance
Al Wathba National Insurance Co.	United Arab Emirates	Insurance
Al Dhafra Insurance Co.	United Arab Emirates	Insurance
Al Ain Alhlia Insurance Co.	United Arab Emirates	Insurance
Al Buhaira National Insurance	United Arab Emirates	Insurance
Abu Dhabi National Insurance	United Arab Emirates	Insurance
Al Fujairah National Insurance	United Arab Emirates	Insurance
Al Khazna Insurance Co.	United Arab Emirates	Insurance
Union Insurance Company	United Arab Emirates	Insurance
AL Khaleej Investment	United Arab Emirates	Bank
Invest Bank	United Arab Emirates	Bank
AJMAN BANK PJSC	United Arab Emirates	Bank
Emirates Islamic Bank PJSC	United Arab Emirates	Bank
Mashreqbank PSc	United Arab Emirates	Bank
Dubai Investments PJSC	United Arab Emirates	Bank
Gulf General Investments Company	United Arab Emirates	Bank
Al Sagr National Insurance Company	United Arab Emirates	Insurance
Alliance Insurance	United Arab Emirates	Insurance
Arabian Scandinavian Insurance – TAKAFUL	United Arab Emirates	Insurance
Dubai Insurance Co , PSC	United Arab Emirates	Insurance
Dubai Islamic Insurance and Reinsurance Co.	United Arab Emirates	Insurance
Dubai National Insurance & Reinsurance	United Arab Emirates	Insurance
Islamic Arab Insurance Company	United Arab Emirates	Insurance
National General Insurance Company PSC	United Arab Emirates	Insurance
Oman Insurance Company P.S.C.	United Arab Emirates	Insurance
ORIENT Insurance PJSC	United Arab Emirates	Insurance

APPENDIX C: International Financial Reporting Standard 7 Financial Instruments: Disclosures

Disclosure requirement (IFRS7)	Source	Maximum
Market risk – interest rate risk		
Exposure to risk and how they arise	IFRS7.33a	1
Objectives, policies and processes for managing the risk and the methods used to measure the risk	IFRS7.33b	1
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period:	IFRS7.33c	1
Disclosure of changes		
Explanation for changes		
Summary quantitative data about exposure to risk at the reporting date	IFRS7.34	1
Interest rate sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date	IFRS7.40a	1
Methods and assumptions used in preparing the sensitivity analysis	IFRS7.40b	1
Concentration of interest rate risk if not apparent from summary quantitative data and sensitivity analysis	IFRS7.34c	1
Total score for interest rate risk		7
Market risk – currency risk		
Exposure to risk and how they arise	IFRS7.33a	1
Objectives, policies and processes for managing the risk and the methods used to measure the risk	IFRS7.33b	1
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period:	IFRS7.33c	1
Disclosure of changes		
Explanation for changes		
Summary quantitative data about exposure to risk at the reporting date	IFRS7.34a	1
Currency risk sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date	IFRS7.40a	1
Methods and assumptions used in preparing the sensitivity analysis	IFRS7.40b	1
Concentration of currency risk if not apparent from summary quantitative data and sensitivity analysis	IFRS7.34c	1
Total score for currency risk		7
Market risk – other price risk		
Exposure to risk and how they arise	IFRS7.33a	1
Objectives, policies and processes for managing the risk and the methods used to measure the risk	IFRS7.33b	1
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period:	IFRS7.33c	1
Disclosure of changes		
Explanation for changes		
Summary quantitative data about exposure to risk at the reporting date	IFRS7.34a	1
Other price risk sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date	IFRS7.40a	1

Methods and assumptions used in preparing the sensitivity analysis	IFRS7.40b	1
Concentration of other price risk if not apparent from summary quantitative data and sensitivity analysis	IFRS7.34c	1
Total score for other price risk		7
Total score for market risk		21
Liquidity risk		
Exposure to risk and how they arise	IFRS7.33a	1
Objectives, policies and processes for managing the risk and the methods used to measure the risk	IFRS7.33b	1
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period:	IFRS7.33c	1
- Disclosure of changes		
- Explanation for changes		
Maturity analysis for financial liabilities that show the remaining contractual maturities	IFRS7.39a	1
Total score for liquidity risk		4
Credit risk		
Exposure to risk and how they arise	IFRS7.33a	1
Objectives, policies and processes for managing the risk and the methods used to measure the risk	IFRS7.33b	1
Changes in exposure to risk, measurement of risk and objectives, policies and processes to manage the risk from the previous period:	IFRS7.33c	1
- Disclosure of changes		
- Explanation for changes		
Summary quantitative data about exposure to risk at the reporting date	IFRS7.34a	1
Concentrations of credit risk if not apparent from summary quantitative data and sensitivity analysis	IFRS7.34c	1
Amount of maximum exposure to credit risk (before deducting value collateral)	IFRS7.36a	1
Description of collateral held as security and other credit enhancements security and other credit enhancements	IFRS7.36b	1
Information about credit quality of financial assets with credit risk that are neither past due nor impaired:	IFRS7.36c	1
- Information about credit quality		
- Explanation rating system		
The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	IFRS7.36d	1
By class of financial assets an analysis of the age of financial assets that are past due as at the reporting date but not impaired	IFRS7.37a	1
By class of financial assets and analysis of financial assets that are individually determined to be impaired at the reporting date, including the factors the entity considered in determining that they are impaired:	IFRS7.37b	1
- Disclosure of factors the entity considered in the impairment		
- Carrying amount of impaired financial assets		
- Amount of impairment loss		
Description of collateral held by the entity as security and other credit enhancements for the amounts as disclosed in IFRS 7.37a and b and, unless impracticable, an estimate of their fair value	IFRS7.37c	1

Nature and carrying amount of assets obtained by taking possession of collateral it holds as security or called on other credit enhancements, and such assets meet the recognition criteria on other standards	IFRS7.38a	1
Policies for disposing assets or use it in its operations when the assets are not readily convertible into cash	IFRS7.38b	1
Total score for credit risk		14
Total score for all risk disclosures		39

Source: Tauringana and Chithambo (2016), Agyei-Mensah, (2017).

جامعة البحرين

قسم المحاسبة



كلية إدارة الأعمال

خصائص مجلس الإدارة والامتثال للمعيار الدولي لإعداد التقارير المالية ٧ (الأدوات المالية: الإفصاح) - أدلة من دول مجلس التعاون الخليجي

إطروحة مقدمة كجزء من متطلبات الحصول على درجة الماجستير في المحاسبة

إعداد

أميره عبد العزيز محمد

الرقم الجامعي: ٢٠١٣٠٦٧٥

إشراف

د. عبدالمحسن محمد دسوقي

قسم المحاسبة

جامعة البحرين

مملكة البحرين

ديسمبر ٢٠٢٢م